



Legislative Fiscal Bureau

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February 12, 2020

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 800/Senate Bill 722: UW Programs and DNR Well Testing Grants

Assembly Bill 800 (AB 800) and Senate Bill 722 (SB 722) would provide funding to the UW System for: (a) the Center for Watershed Science and Education; (b) a hydrogeologist position for the Geological and Natural History Survey; and (c) funding for research on phosphorus recovery and reuse. Further, it would provide the Department of Natural Resources (DNR) with funding for a new program for grants to counties to test wells. Finally, it would require that local governments with privately owned wells perform certain public education.

AB 800 was introduced on January 24, 2020, and referred to the Assembly Committee on Colleges and Universities. A public hearing was held on January 30, 2020. On February 6, 2020, the Assembly Committee on Colleges and Universities recommended adoption of Assembly Amendment 1 by a vote of 16-0, and passage as amended, by a vote of 16-0.

SB 722 was introduced on January 24, 2020, and referred to the Senate Committee on Natural Resources and Energy. A public hearing was held on February 5, 2020.

CURRENT LAW

The Center for Watershed Science and Education is a partnership between the UW-Stevens Point College of Natural Resources and the Division of Extension at UW-Madison. The Center assists citizens with lake, river, and drinking water quality problems, provides water quality assessments and support, and prepares students for careers as water resource professionals. The Wisconsin Geological and Natural History Survey (WGNHS), also part of the Division of Extension at UW-Madison, provides scientific information about Wisconsin geology, mineral resources, and water resources. The WGNHS conducts surveys and other research projects which provide data for resource, land-use, and environmental management decisions. Faculty at UW-Madison Division of Extension are working on a phosphorus recovery and reuse program which would recover phosphorus from wastewater treatment plants to be recycled into agriculture for use as fertilizer.

The Department of Natural Resources administers statutes and administrative rules related to the installation and operation of drinking water supplies and publicly and privately owned wells. Although DNR has funded or conducted studies of drinking water and groundwater from available appropriations, no ongoing state programs exist to provide financial assistance to local governments or private parties for well testing.

SUMMARY OF BILL

UW System

Under the UW System, the bill would provide \$450,000 GPR in 2019-20 and \$450,000 GPR in 2020-21 in a new biennial appropriation to support operations of the Center for Watershed Science and Education. The appropriation would sunset on June 30, 2024. The bill would require the Board of Regents to provide funding from the appropriation to support center operations including: (a) expanding outreach to all new and existing private well owners through educational programs, mailings, and public service announcements that direct private well owners to educational resources; (b) developing and maintaining a database on private well water quality that combines test results by the center, DNR, cities, villages, towns, counties, and private laboratories; (c) developing data transfer protocols for the database; and (d) updating the Center's online mapping tools. These provisions would sunset on June 30, 2024.

In addition, the bill would provide \$150,000 GPR in 2020-21 in a new annual appropriation under the UW System for a geological and natural history survey hydrogeologist. The bill would require the Board of Regents to create one full-time hydrogeologist project position for three years for the geological and natural history survey funded from this appropriation. The bill would require that the position focus on developing groundwater resource information primarily at county or local scales and assisting state and local governments, industries, and the public in interpreting and using this information.

Further, the bill would provide \$200,000 GPR in 2019-20 in UW System's general operations appropriation and require the Board of Regents to allocate this amount in the 2019-21 biennium to the Division of Extension at UW-Madison to implement the phase I policy research proposal under the Division of Extension's proposed market-based North American phosphorus recovery and reuse policy program. The bill would require Extension to demonstrate to the Board that Extension has secured 25% (\$50,000) in matching funds, including in-kind contributions, from federal, private, or other non-state sources before the Board of Regents may allocate any of the funds. Further, the bill would specify that funds must be used for research and may not be used for administrative or overhead expenses.

Department of Natural Resources

The bill would create a continuing appropriation in DNR and provide \$250,000 GPR each year beginning in 2020-21 to provide grants to counties for testing privately owned wells and providing education to the public. Provision of the funding in 2020-21 would mean it would be part of the base funding level when DNR prepares its 2021-23 biennial budget request in the fall of 2020. Under the continuing appropriation, any funds not spent in 2020-21 would be available in subsequent fiscal years.

Grants to counties could be for one of two purposes. One grant type would provide up to \$10,000 per county for countywide testing and mapping of privately owned wells to assess groundwater quality and determine the extent and type of any contamination. Grants would also fund the study and mapping of geologic characteristics and well construction practices in the county, including depth to bedrock and well age, to determine any correlation between water quality, geology, and well construction. The second type of grant would provide up to \$2,500 per county for counties that have completed the type of study described above, to notify the public of the results of the completed study and to notify private well owners whose wells may be contaminated based on the results of the completed study. A county could receive either type of grant but not both. More than one county would be allowed to apply for a joint grant if the counties are applying for the same grant category.

A county that receives a grant under the program would be required to: (a) provide matching funds equal to the amount of the proposed grant; and (b) submit the results of its testing to the UW Center for Watershed Science and Education. A county that submits information about the result of its testing to the UW Center would not be allowed to include any personally identifiable information.

DNR would be required to seek to make a grant to every county that applies. DNR would be authorized (but not required) to promulgate administrative rules to implement the program, but would not be allowed to impose substantive requirements on applicants other than those provided under the bill.

Local Governments

Any city, village, or town that contains privately owned wells or water supplies would be required to inform its residents of the importance of regular well testing.

Collaboration

The bill would require that the Center for Watershed Science and Education, the hydrogeologist created under the bill, those conducting research under the proposed market-based North American phosphorus recovery and reuse policy program, and counties receiving well-testing and education grants work together to gather and share data to better inform the public and relevant industries about the current condition of water quality in Wisconsin.

ASSEMBLY AMENDMENT 1

Assembly Amendment 1 would require the University of Wisconsin Stevens Point Center for Watershed Science and Education to provide, upon request, well testing result information submitted by a county under the requirements of AB 800, and any other information or data in the Center's possession that is relevant to addressing water quality issues in Wisconsin. Further, the amendment would specify that this information may not include any personally identifiable information.

FISCAL EFFECT

UW System

The bill would increase UW-System appropriations by \$650,000 GPR in 2019-20 and \$600,000 GPR in fiscal year 2020-21 and provide 1.0 FTE three-year project position. This would include: (a) \$450,000 in each year of the biennium for the Center for Watershed Science and Education; (b) \$150,000 in fiscal year 2020-21 and 1.0 FTE three-year hydrogeologist project position for the Wisconsin Geological and Natural History Survey; and (c) \$200,000 in fiscal year 2019-20 for the market-based North American phosphorus recovery and reuse policy program. All of these programs are housed at or affiliated with the Division of Extension at UW-Madison. The provisions related to the Center for Watershed Science and Education would sunset on June 30, 2024. Further, the hydrogeologist position created under the bill is a three-year project position with funding provided in the second year of the biennium, which would continue through the 2021-23 biennium. However, as the bill does not contain a sunset provision related to the hydrogeologist appropriation funding, the \$150,000 provided would be provided annually starting in 2020-21 under the bill. The \$200,000 provided in 2019-20 for the phosphorus recovery and reuse program would be one-time funding only, but would be provided in a biennial appropriation so that it could be expended in either fiscal year of the 2019-21 biennium.

Department of Natural Resources

The bill would increase DNR appropriations by \$250,000 GPR each year, beginning in 2020-21, for the grant program for counties to conduct testing of privately owned wells or notification of the public of the results of the completed study.

In its fiscal estimate for the bill, DNR indicated the Department would have 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. DNR indicated it is unknown how many grant applications would be received each year, but the maximum number of grant applications would be 72, as counties can receive either a \$10,000 well testing and mapping grant or a \$2,500 public notification grant, but not both.

DNR estimates each grant application would require five hours of staff time, totaling \$250 per grant for a grants administrator position. DNR also estimates it would incur one-time costs of \$37,400 to develop administrative rules for the new program. It would also incur costs to develop implementation procedures, grant application forms, and outreach materials. The Department estimates it could absorb these grant review and one-time costs with existing staff and resources.

It is unknown how many counties would be eligible to receive each type of grant. If all of the state's 72 counties apply for a \$10,000 grant, the demand would be \$720,000. If all 72 counties apply for a \$2,500 grant, the demand would be \$180,000. The bill does not include procedures for allocation of funding if applications for grants exceed the \$250,000 appropriation in 2020-21. It is likely such provisions would require further development in administrative rules.

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