



Legislative Fiscal Bureau

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Joint Committee on Finance

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Solid and Hazardous Waste Staff (Natural Resources -- Air, Waste and Contaminated Land)

[LFB 2001-03 Budget Summary: Page 498, #9]

CURRENT LAW

The DNR waste management program regulates the transportation, treatment, storage and disposal of solid and hazardous wastes. Program activities include plan review, licensing, inspection, compliance actions, technical assistance and outreach. The DNR receives a federal hazardous waste grant of approximately \$2,000,000 annually. DNR has 33.61 authorized full-time equivalent (FTE) positions from the grant, including 30.11 FTE in the waste management program, 2.0 FTE in the law enforcement program and 1.5 FTE in the remediation and redevelopment program. DNR receives program revenues for solid and hazardous waste disposal administration from landfill plan review fees, licenses and a 9¢ per ton solid waste landfill license surcharge and from hazardous waste facility licenses, transporter licenses and plan review fees. The DNR program revenue appropriation received \$2,829,000 PR in 1999-00 and will receive an estimated \$2,415,000 in 2000-01. In 2000-01, there will be estimated expenditures of \$2,401,400 from the program revenues for 33.0 positions, including 28.5 positions in the waste management program, 2.5 in the remediation and redevelopment program and 2.0 in the cooperative environmental assistance program. In 2000-01, the waste management program is also appropriated \$1,658,100 GPR for 21.5 GPR positions.

GOVERNOR

Make the following changes in solid and hazardous waste management program funding: (a) delete \$439,300 FED annually and 6.0 FED positions to reflect the anticipated level of federal hazardous waste grant funding; (b) provide \$67,900 PR in 2001-02 and \$88,600 PR in 2002-03 and 2.0 PR positions annually for hazardous waste management staff from current solid and hazardous waste plan review and license fees; (c) provide \$11,000 PR annually for limited-

term employees; and (d) provide \$60,000 PR annually for additional contracts with the State Lab of Hygiene.

DISCUSSION POINTS

1. The federal grant has been approximately \$2 million for the last five years and is currently sufficient to fund 26.5 of the 33.61 authorized federal positions. The unfunded 7.11 positions are vacant. The bill deletes 6.0 of the 7.11 unfunded FED positions. The remaining 1.11 FED position and \$55,800 FED annually could also be deleted to reflect available federal funding.

2. The recommended 2.0 PR positions would represent an increase of two staff for the solid and hazardous waste management program because the deleted FED positions have been vacant for three to four years.

3. The bill would provide a program planning analyst to coordinate administrative rule development and implementation and reduce the backlog of federal rules that have not been incorporated into the state's hazardous waste rules (currently 75 federal rules, which is an increase from 30 in September, 2000). DNR officials indicate that the Department has been behind on the process of incorporating federal rules into state administrative codes for several years, that the US EPA has indicated that the lack of progress in this area could be used as a basis for revoking EPA authorization of hazardous waste regulation to DNR for the state. However, DNR indicates that it is working on the rules backlog and EPA has not taken action to revoke DNR's authorization to administer the program.

4. The bill would provide a regional waste management specialist to inspect solid and hazardous waste plans, such as groundwater monitoring plan revisions, gas extraction plan revisions, alternative daily cover requests, leachate handling system design modifications and construction documentation reports. The backlog of plan review reports waiting for review was 111 in late-March, a decrease from 179 in September, 2000. The limited-term employee funding would be used for additional inspections, plan review and rule-making activities.

5. The \$60,000 provided for contracts with the State Laboratory of Hygiene would be in addition to the \$50,000 currently allocated from the federal hazardous waste grant and would be used for solid waste facility monitoring wells, mine-related monitoring and hazardous waste enforcement-related monitoring. DNR indicates that if the funds are not provided, the Department would probably continue to contract with the Laboratory of Hygiene at the current contract level. Alternatively, DNR could reallocate from existing activities related to plan review, inspections and rule development for additional contracts. This reallocation might increase backlogs for plan review and rule development.

6. On July 1, 2001, there will be a balance of approximately \$1.7 million in program revenue available for solid and hazardous waste disposal administration activities. Under the bill, current revenues would be sufficient to fund the proposed two positions and the June 30, 2003, balance would be approximately \$1.1 million. In 2002-03, annual revenues would be

approximately \$2.4 million and expenditures would be approximately \$2.7 million. This should be sufficient to fund the level of expenditures under the bill through the 2003-05 biennium. It is possible that after the 2003-05 biennium, revenues and expenditures would have to be monitored to maintain a positive balance, and DNR may need to review fee levels established in administrative rule. The appropriation receives both solid and hazardous waste fees. DNR indicates that hazardous waste plan review and license fees have not been increased in approximately six years.

7. The largest amount of fee revenue is from solid waste disposal landfill licenses (approximately \$900,000 annually) and a solid waste landfill license surcharge of 9¢ per ton on solid waste disposed of at landfills (approximately \$800,000 annually). The tonnage fee was incorporated in administrative rules as a landfill license surcharge effective October, 1997. Administrative rules require DNR to review the fee with the Natural Resources Board in October, 2002.

8. There should be a sufficient program revenue appropriation balance through the 2003-05 biennium to generate \$130,800 annual GPR savings by converting two of the existing 21.5 GPR waste management positions to program revenue funding beginning in 2001-03. However, this would increase expenditures to approximately \$2.8 million annually, as compared with \$2.4 million in annual revenues. Under this alternative, it is probable that DNR would have to review fee levels in the administrative rules to implement possible fee increases for the 2005-07 biennium.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to: (a) delete \$439,300 FED annually and 6.0 FED positions to reflect the anticipated level of federal hazardous waste grant funding; (b) provide \$67,900 PR in 2001-02 and \$88,600 PR in 2002-03 and 2.0 PR positions annually for hazardous waste management staff from current solid and hazardous waste plan review and license fees; (c) provide \$11,000 PR annually for limited-term employees; and (d) provide \$60,000 PR annually for additional contracts with the State Lab of Hygiene.

Alternative 1	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$878,600	\$298,500	- \$580,100
<i>[Change to Bill]</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
2002-03 POSITIONS (Change to Base)	- 6.00	2.00	- 4.00
<i>[Change to Bill]</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

2. Adopt Alternative 1 and, in addition, delete \$55,800 FED and 1.11 FED position annually to reflect the anticipated level of federal hazardous waste grant funding.

Alternative 2	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$990,200	\$298,500	- \$691,700
<i>[Change to Bill]</i>	- \$111,600	\$0	- \$111,600]
2002-03 POSITIONS (Change to Base)	- 7.11	2.00	- 5.11
<i>[Change to Bill]</i>	- 1.11	0.00	- 1.11]

3. Delete \$495,100 FED and 7.11 FED hazardous waste positions annually. In addition, approve one of the following related to program revenue funding:

a. Provide \$78,900 PR in 2001-02 and \$99,600 PR in 2002-03 and 2.0 PR positions annually for hazardous waste management staff and limited-term employees. (This would provide no new funding for contracts with the State Laboratory of Hygiene.)

Alternative 3a	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$990,200	\$178,500	- \$811,700
<i>[Change to Bill]</i>	- \$111,600	- \$120,000	- \$231,600]
2002-03 POSITIONS (Change to Base)	- 7.11	2.00	- 5.11
<i>[Change to Bill]</i>	- 1.11	0.00	- 1.11]

b. Provide \$33,800 PR in 2001-02 and \$44,400 PR in 2002-03 and 1.0 PR position annually for hazardous waste management activities. (This would provide no new funding for limited-term employees or contracts with the State Laboratory of Hygiene.)

Alternative 3b	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$990,200	\$78,200	- \$912,000
<i>[Change to Bill]</i>	- \$111,600	- \$220,300	- \$331,900]
2002-03 POSITIONS (Change to Base)	- 7.11	1.00	- 6.11
<i>[Change to Bill]</i>	- 1.11	- 1.00	- 2.11]

c. Provide \$60,000 PR annually for contracts with the State Laboratory of Hygiene. (This would provide no new funding for staff or limited-term employees.)

Alternative 3c	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$990,200	\$120,000	- \$870,200
<i>[Change to Bill]</i>	- \$111,600	- \$178,500	- \$290,100]
2002-03 POSITIONS (Change to Base)	- 7.11	0.00	- 7.11
<i>[Change to Bill]</i>	- 1.11	- 2.00	- 3.11]

d. Provide no new program revenue funding for hazardous waste management staff, limited-term employees or contracts with the State Laboratory of Hygiene.

Alternative 3d	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$990,200	\$0	- \$990,200
<i>[Change to Bill]</i>	- \$111,600	- \$298,500	- \$410,100]
2002-03 POSITIONS (Change to Base)	- 7.11	0.00	- 7.11
<i>[Change to Bill]</i>	- 1.11	- 2.00	- 3.11]

4. Maintain current law. (DNR would retain FED expenditure and position authority but would not have sufficient federal revenues to fill the positions.)

Alternative 4	FED	PR	TOTAL
2001-03 FUNDING (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill]</i>	\$878,500	- \$298,500	\$580,000]
2002-03 POSITIONS (Change to Base)	0.00	0.00	0.00
<i>[Change to Bill]</i>	6.00	- 2.00	4.00]

5. In addition to any of the above alternatives, convert \$130,800 GPR with 2.0 GPR positions annually to program revenue from the solid and hazardous waste management appropriation.

Alternative 5	GPR	PR	TOTAL
2001-03 FUNDING (Change to Base)	- \$261,600	\$261,600	\$0
<i>[Change to Bill]</i>	- \$261,600	261,600	\$0]
2002-03 POSITIONS (Change to Base)	- 2.00	2.00	\$0
<i>[Change to Bill]</i>	- 2.00	2.00	\$0]

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