

Fiscal Estimate Narratives

DNR 7/13/2021

| | | | | | |
|--|------------------|---------------------|----------------|---------------|-----------------|
| LRB Number | 21-3603/1 | Introduction Number | AB-0444 | Estimate Type | Original |
| Description expanding eligibility under the Medical Assistance program; funding infrastructure, land acquisition, and building projects; providing assistance and local government grants; maintaining an opioid and methamphetamine data system; transferring moneys to the budget stabilization fund; creating a University of Wisconsin System partnership program and admissions application fees; providing an exemption from rule-making procedures; and making an appropriation | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The bill includes three provisions that impact the Department of Natural Resources:

1. It authorizes the Department to administer a grant program to address PFAS contamination and provides \$10 million of one-time GPR funding in FY 2022 for the program. Grants would be issued to cities, towns, villages, counties, utility districts, lake protection districts, sewerage districts, and municipal airports. An applicant that receives a grant under this program must contribute matching funds equal to at least 20 percent of the amount of the grant.
2. It appropriates \$50 million/year of ongoing GPR funding to cover not more than 50 percent of the cost to replace lead service lines (LSLs).
3. It appropriates \$5,394,395 of one-time GPR funding in FY 2022 to finance nine local land acquisition and redevelopment projects for conservation and recreational purposes.

State Fiscal Effect

A. PFAS Grants

The Department assumes that 1.0 FTE of work effort, along with \$128,700 of one-time salary and fringe benefit costs, would be required to administer the PFAS grant program. The workload would be absorbed into the duties of existing staff.

B. Lead Service Lines (LSLs)

1. One-Time Costs

The Department estimates that 480 hrs. of staff time along with \$22,600 of one-time costs would be incurred to develop an application, guidance materials, awards process and outreach materials (salary/fringe costs of \$47/hr.).

2. Ongoing Costs

The Department estimates that about 2,900 hrs. of staff time and \$139,100 of ongoing costs would be incurred to administer the LSL grant program based on an assumption of 40 projects per year at 74 hours per project (salary/fringe costs of \$47/hr.).

C. Acquisition and Development Projects

The department would incur indeterminate staff time and costs to administer the nine local land acquisition and redevelopment project grants that are identified in the bill.

Local Fiscal Effect

A. PFAS Grants

One-time revenues would increase by up to \$10 million for PFAS grants. One-time costs would increase by up to \$2 million to reflect the 20% match requirement for the program.

B. Lead Service Lines (LSLs)

Revenues would increase by up to \$50 million/yr. Costs would increase by up to \$50 million/yr. to reflect the 50% match requirement for the program.

C. Acquisition and Development Projects

One-time revenues would increase by up to \$5,394,395 to coincide with the earmarked funding provided in the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): 1. An estimated \$128,700 of one-time costs to administer the PFAS grant program. 2. An estimated \$22,600 of one-time costs to develop an application, guidance materials, awards process and outreach materials for the LSL replacement program. | | |
| II. Annualized Costs: | Annualized Fiscal Impact on funds from: | |
| | Increased Costs | Decreased Costs |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringes | \$139,100 | \$ |
| (FTE Position Changes) | (1.6 FTE) | |
| State Operations - Other Costs | | |
| Local Assistance | 50,000,000 | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$50,139,100 | \$ |
| B. State Costs by Source of Funds | | |
| GPR | 50,000,000 | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | 139,100 | |
| 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 | \$50,139,100 | \$50,000,000 |
| NET CHANGE IN REVENUE | \$ | \$50,000,000 |
| Agency/Prepared By | Authorized Signature | Date |

