HF3423 - 0 - Water Quality Standards Funding

Chief Author: Steve Sandell
Committee: Environment & Natural Resources Finance Division
Date Completed: 3/4/2020 1:16:54 PM
Agency: Pollution Control Agency

State Fiscal Impact | Yes | No
--- | --- | ---
Expenditures | X | |
Fee/Departmental Earnings | X | |
Tax Revenue | X | |
Information Technology | X | |
Local Fiscal Impact | X | |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

<table>
<thead>
<tr>
<th>State Cost (Savings)</th>
<th>Biennium FY2019</th>
<th>Biennium FY2020</th>
<th>Biennium FY2021</th>
<th>Biennium FY2022</th>
<th>Biennium FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water Fund</td>
<td>-</td>
<td>-</td>
<td>226</td>
<td>266</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>226</td>
<td>266</td>
<td>-</td>
</tr>
<tr>
<td>Biennial Total</td>
<td>226</td>
<td>266</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Full Time Equivalent Positions (FTE)</th>
<th>Biennium FY2019</th>
<th>Biennium FY2020</th>
<th>Biennium FY2021</th>
<th>Biennium FY2022</th>
<th>Biennium FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Water Fund</td>
<td>-</td>
<td>-</td>
<td>1.75</td>
<td>1.75</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
<td>1.75</td>
<td>1.75</td>
<td>-</td>
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</tbody>
</table>

LBO Analyst's Comment
I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Jim Carlson    Date: 3/4/2020 1:16:54 PM
Phone: 651-284-6540    Email: jim.carlson@lbo.leg.mn
State Cost (Savings) Calculation Details
This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.
*Transfers In/Out and Absorbed Costs are only displayed when reported.

<table>
<thead>
<tr>
<th>State Cost (Savings) = 1-2</th>
<th>Biennium</th>
<th>Biennium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2019</td>
<td>FY2020</td>
</tr>
<tr>
<td>Clean Water Fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Biennial Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 - Expenditures, Absorbed Costs*, Transfers Out*
| Clean Water Fund |          |          | 226      | 266      |          |
| Total            |          |          | 226      | 266      |          |
| Biennial Total   | 226      | 266      |          |          |          |

2 - Revenues, Transfers In*
| Clean Water Fund |          |          |          |          |          |
| Total            |          |          |          |          |          |
| Biennial Total   |          |          |          |          |          |

Bill Description

- Appropriates money from the clean water fund to adopt rules establishing water quality standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS)
- Onetime appropriation available until June 30, 2023.

Assumptions

1. This is assumed to be a major rulemaking, so expenditures were estimated based on a rulemaking of similar scope and size as laid out in the Minnesota Rulemaking Manual and adjusted based on MPCA’s past rulemaking experiences.
2. Costs were apportioned across fiscal years depending on timing of process steps. Since this is a new numeric water quality standard, peer review is required, per statute.

Expenditure and/or Revenue Formula

Non-Staff Costs:
1. Office of Administrative Hearing costs (filing fees associated with the eComments site, Administrative Law Judge review time, hearing costs) = $40,000 total (FY22)
2. State Register costs (publication of all associated notices) = $6,000, or $3,000 in FY21 and $3,000 in FY22
3. Attorney costs for rulemaking $131/hour for 86 hours = $11,266 or $5,633 in FY21 and $5,633 in FY22

MPCA Staff Costs:
1. Rule coordinator staff (0.75 FTE/year x $124,000 x 2 years) = $186,000 or $93,000 in FY21 and $93,000 in FY22
2. Water program staff (1 FTE/year x $124,000 x 2 years) = $248,000 or $124,000 in FY21 and $124,000 in FY22

Total Costs
· FY2021 = $225,633, 1.75 FTE
· FY2022 = $265,633, 1.75 FTE

*The annual cost of 1.0 FTE is $124,000 in FY2019-2023. Annual costs for 1.0 FTE include salary, fringe, and non-specialized employee support costs (work space, computer and office supplies, office equipment, local travel, etc.).

**Long-Term Fiscal Considerations**

N/A

**Local Fiscal Impact**

N/A

**References/Sources**

Minnesota Rulemaking Manual

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