

# Preliminary

**Fiscal Note – 2011-12 Session**

**Bill #:** H0182-1A **Complete Date:** 04/28/11

**Chief Author:** BEARD, MICHAEL

**Title:** WATER RLMKNG MORATORIUM/STDY REQ

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Administration Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY11	FY12	FY13	FY14	FY15
<b>Expenditures</b>					
General Fund		152			
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		152			
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		152			
<b>Total Cost &lt;Savings&gt; to the State</b>		152			

	FY11	FY12	FY13	FY14	FY15
<b>Full Time Equivalents</b>					
General Fund		1.63			
<b>Total FTE</b>		1.63			

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## **Bill Description**

House File 182-1A, Section 1 provides for a moratorium for specific agencies, including the Environmental Quality Board (EQB), on rulemaking related to water quality or water resource protection, with certain exceptions, during the two-year period beginning July 1, 2011 and ending June 30, 2012.

Section 2 mandates an evaluation by the Department of Administration (Admin) to:

- identify certain water-related rules, their statutory authority, intended outcomes, the cost of the rules to state and local government and the private sector, and the relationship of each rule to other local, state, and federal rules;
- assess the pros and cons of alternative approaches to implementing water-related programs, policies, and permits;
- identify inconsistencies and redundancy among rules;
- identify means to coordinate rulemaking and implementation to achieve outcomes more effectively and efficiently;
- identify a rule assessment and evaluation process to determine if rules should be continued or repealed;
- assess the current role of the clean water fund in supporting water-related programs and policies and make recommendations for allocating resources; and
- evaluate current responsibilities of the agencies for developing and implementing water-related programs, policies, and permits and make recommendations for reallocating responsibilities among the agencies.

The evaluation required in Section 2 must be completed and submitted to the legislature no later than January 15, 2012.

## **Assumptions**

Section 1: No EQB fiscal impact.

Section 2:

- The evaluation would begin July 1, 2011 and be completed by January 15, 2012.
- The evaluation would be conducted by Admin/EQB staff. To the extent possible, information would be drawn from readily available reports and data. Some information may need to be obtained through direct contact with agencies and interested parties, and agencies and interested parties may be asked to compile certain information from their files and data.
- When comparing House File 182-1A with House File 182-0, the change from a “study” to an evaluation (similar to that conducted by the Office of the Legislative Auditor) slightly reduces the tasks (in particular, no advisory group of agencies and stakeholders would be convened). However, the addition of the evaluation items 7 (evaluate current responsibilities of the agencies) and 8 (assess the clean water fund in supporting water-related programs and policies and make recommendations for allocating resources) increases the scope of the study, and so increases the personnel requirement to three persons full time over the six and a half month evaluation period.
- Conduct of the evaluation would require the equivalent of three staff full time over the 6-1/2 evaluation period, which equals 1.63 FTE. Duties would include collecting and compiling information, analyzing information, and preparing and circulating for comment draft reports, and preparing and distributing final reports.

(Clarifying Background Information: EQB staff are located in Admin. The Board (EQB) is comprised of the heads of the agencies named in the bill – Admin, Department of Natural Resources, Minnesota Pollution Control Agency, Board of Water and Soil Resources, Minnesota Department of Health, and Minnesota Department of Agriculture—along with the heads of the Department of Employment and Economic Development, Commerce, and Transportation, five citizen members, and a governor’s representative. Support and administration for the Board is provided by Admin.)

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## **Expenditure and/or Revenue Formula**

Conduct of evaluation: 3 FTE X 6.5 months = 1.63 FTE  
2 positions - Planning Senior State  
1 position - Planning Director State

Anticipated expenses for space rental, communications, and IT support are included in the evaluation costs.

## **Long-Term Fiscal Considerations**

No long-term fiscal considerations. The evaluation in Section 2 would be complete in FY2012.

## **Local Government Costs**

None anticipated.

## **References/Sources**

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## **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

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