

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.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Clean Water Fund	-	-	226	266	-	-
Total	-	-	226	266	-	-
Biennial Total			226			266

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
	FY2019	FY2020	FY2021	FY2022	FY2023	
Clean Water Fund	-	-	1.75	1.75	-	-
Total	-	-	1.75	1.75	-	-

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.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023	
Clean Water Fund	-	-	226	266	-	
Total	-	-	226	266	-	
Biennial Total			226			266
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

Agency Contact: Katie Smith 651-757-2499

Agency Fiscal Note Coordinator Signature: John Allen

Phone: 675-757-2185

Date: 3/4/2020 10:48:42 AM

Email: john.j.allen@state.mn.us