

HF1338 - 0 - Legislative Water Commission Reestablished

Chief Author: **Peter Fischer**
 Committee: **Environment and Natural Resources Finance And Policy**
 Date Completed: **2/23/2023 9:16:52 AM**
 Agency: **Legislature**

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	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	52	52	52	52	52
Total	-	52	52	52	52	52
Biennial Total			104			104

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	1	1	1	1
Total	-	1	1	1	1

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: Chloe Burns **Date:** 2/23/2023 9:16:52 AM
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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	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	52	52	52	52	52
Total	-	52	52	52	52	52
	Biennial Total		104			104
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	220	214	215	214	214
Absorbed Costs	-	(168)	(162)	(163)	(162)	(162)
Total	-	52	52	52	52	52
	Biennial Total		104			104
2 - Revenues, Transfers In*						
General Fund						
Total	-	-	-	-	-	-
	Biennial Total		-			-

Bill Description

The bill reestablishes the Legislative Water Commission (LWC) which consists of 12 members (six senators, six representatives). Members may receive per diem and reimbursement of expenses as authorized by their respective chamber. The Legislative Coordinating Commission (LCC) must employ staff and contract with consultants as necessary. The commission expires on July 1, 2028.

Assumptions

1. The LWC was established first in FY15 under MS 3.886 but then was sunset on July 1, 2019 (FY20).
2. The LCC enacted a Subcommittee on Minnesota Water Policy (SMWP) in FY20. The 12-member subcommittee continued to be staffed by the LCC with a director and members were eligible for per diem and reimbursement of expenses for meeting participation.
3. We assume that with the reestablishment of the LWC that the LCC would sunset the SMWP. Policy review report and recommendation work will continue under the LWC.
4. The LWC will meet in person, with limited remote participation, within the Capitol complex ten times each fiscal year beginning with FY24 with eight of the meetings occurring during interims.
5. The legislative members of the commission are eligible for compensation and reimbursement of expenses through the LCC.
6. Legislative member meeting participation costs includes the following per member, per legislative interim meeting: per diem (\$86 senators, \$66 representatives), and \$100 round trip mileage (152 round trip mile average). Half of the legislative members will be reimbursed for lodging expenses (\$150/night senators, \$175/night representatives).
7. This note does not include any additional cost that non-legislative agencies may incur for interaction with staff and/or participation in meetings as requested by the commission.
8. Senate Counsel, Research and Fiscal Analysis will provide support of a 0.03 FTE composite of staff time each fiscal year beginning FY24 (approximately 80 hours). For this fiscal note we assume existing Senate staff will be utilized and costs may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.
9. House Research Department and House Fiscal Analysis Department will provide support of a 0.03 FTE composite of staff time each fiscal year beginning FY24 (approximately 80 hours). For this fiscal note we assume existing House

staff will be utilized and costs may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.

10. The SMWP director will continue to serve at a 1.0 FTE capacity but now as LWC director. Compensation cost for the director will include salary, FICA cost, and employer contribution for health insurance and Unclassified retirement plan.
11. The office for the LWC director will continue to be within the existing space in the State Office Building. No cost for office space will be incurred.
12. Office equipment (computer, monitor) and software will be updated for the director in FY24 and absorbed by the LCC. Other nominal operation cost (printing, supplies staff travel) for each fiscal year will be absorbed by the LCC.
13. The LCC will continue to provide administrative oversight and fiscal support services at a .05 FTE (105 hours). For this fiscal note we assume existing LCC staff will be utilized, and cost may be absorbed, although that will depend on the priorities of the legislature and staff time required for competing projects.
14. The LCC received a base appropriation of \$145K for the LWC initial enactment beginning FY16 (ML 2014, Ch 312, Art 4, Sec 2, Subd 1) which has continued to be included in the LCC operating budget.
15. We assume that the \$145K base appropriation will be ongoing but additional funds will be needed for the reestablished LWC beginning FY24 through FY28. The net new funding need of \$52K each FY beginning FY24 is shown in the table in the Expenditure and/or Revenue Formula section.

Expenditure and/or Revenue Formula

<u>Member Meeting Participation Cost</u>				
Cost Category	FY24	FY25	FY26	FY27
Senate Member Mtg Participation Cost	12,507	12,507	12,507	12,507
House Member Mtg Participation Cost	12,147	12,147	12,147	12,147
Total Member Mtg Participation Cost (rounded)	25,000	25,000	25,000	25,000
<u>Staffing Cost</u>				
Cost Category	FY24	FY25	FY26	FY27
SCRFA staff support - Counsel & Analyst II (.03 FTE FY24 - FY28, cost absorbed by the Senate)	3,960	3,960	3,960	3,960
HRD & HFA staff support - Counsel & Analyst II (.03 FTE FY24 - FY28, cost absorbed by the House)	3,948	3,948	3,948	3,948
LCC administrative support (.05 FTE FY24 - FY28, cost absorbed by the LCC)	6,087	6,087	6,087	6,087
LWC Director (1.0 FTE FY24-FY28)	171,733	171,733	171,733	171,733
Total Staff Cost (rounded)	186,000	186,000	186,000	186,000
Senate Staff Cost Absorbed	(3,960)	(3,960)	(3,960)	(3,960)
House Staff Cost Absorbed	(3,948)	(3,948)	(3,948)	(3,948)
LCC Staff Cost Absorbed	(6,087)	(6,087)	(6,087)	(6,087)
Total Staff Cost Absorbed (rounded)	(14,000)	(14,000)	(14,000)	(14,000)
Net Staff Cost (rounded)	172,000	172,000	172,000	172,000

Office Equipment & Operational Cost				
Cost Category	FY24	FY25	FY26	FY27
Office Equipment	5,301	0	0	0
Operational Cost (Software, Supplies, Travel)	3,728	3,228	3,728	3,228
Total Office Equipment & Operational Cost (rounded)	9,000	3,000	4,000	3,000
Total Absorbed Cost (Equipment & Operational Cost) (rounded)	(9,000)	(3,000)	(4,000)	(3,000)
Net Total Office Equipment & Operational Cost (rounded)	0	0	0	0
Total Cost				
Cost Category	FY24	FY25	FY26	FY27
Total Member Mtg Participation Cost (rounded)	25,000	25,000	25,000	25,000
Total Staff Cost (rounded)	186,000	186,000	186,000	186,000
Total Equipment & Operational Cost (rounded)	9,000	3,000	4,000	3,000
Total Cost (rounded)	220,000	214,000	215,000	214,000
Total Cost Absorbed (Staff, Equipment & Operations) (rounded)	(23,000)	(17,000)	(18,000)	(17,000)
Net Total Cost (rounded)	197,000	197,000	197,000	197,000
To Determine Addtl Fund Needs for Reestablishment of LWC				
Cost Category	FY24	FY25	FY26	FY27
Net Total Cost (rounded)	197,000	197,000	197,000	197,000
Less FY16 Continued LWC Base Appropriation	(145,000)	(145,000)	(145,000)	(145,000)
Net Projected New Fund Needs for Reestablished LWC	52,000	52,000	52,000	52,000
New FTEs				
	FY24	FY25	FY26	FY27
Total New FTEs	1.00	1.00	1.00	1.00

Long-Term Fiscal Considerations

The commission expires July 1, 2028 (beginning FY29) after which cost would no longer be incurred.

Local Fiscal Impact

N/A

References/Sources

Emily Adriaens, House of Representatives

Patrick McCormack, House of Representatives

Tom Bottern, Minnesota Senate

Eric Nauman, Minnesota Senate

Alexis Stangl, Minnesota Senate

Jim Stark, Subcommittee on Minnesota Water Policy

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