

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 829** HLS 18RS 1422

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 17, 2018	8:25 AM	Author: HUNTER
Dept./Agy.: LDH/OPH		Analyst: Tanesha Morgan
Subject: Water Testing		

WATER/DRINKING WATER OR +\$34,467,204 GF EX See Note
Provides for public water supply testing by public water systems

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Proposed law provides that certain public water systems (PWSs) shall test its water supply for iron, lead and copper, and water pathogens. Proposed law provides that iron testing shall be performed at all high-risk Tier I homes. Proposed law provides that PWSs shall provide public notice if lead and copper levels in drinking water exceed the maximum containment level. Proposed law provides that PWSs shall provide online public access to certain data, test results, plans, audits, and reviews. Proposed law provides that fines levied against PWSs for noncompliance shall be deposited to the Safe Drinking Water Revolving Loan Fund. Proposed law provides that PWSs shall perform annual testing of drinking water at all child day care centers and elementary schools. Proposed law provides that testing of PWSs be funded with the Safe Drinking Water Fee.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$34,467,204	\$34,467,204	\$34,467,204	\$34,467,204	\$34,467,204	\$172,336,020
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

This measure is anticipated to increase State General Fund expenses to Office of Public Health (OPH) by \$34,467,204 in FY 19 and future fiscal years. This measure provides that PWSs shall test its water supply for iron, lead and copper, and water pathogens. Samples are collected by the PWSs and shipped to OPH for testing and analysis. The bill also provides that lead and copper test shall be performed annually at all child day care centers and elementary schools.

New testing requirements

The bill provides that certain PWSs shall test its water supply for the maximum containment level of iron on a monthly basis. The bill also provides that if a water supply tests positive for the maximum containment level of iron for two consecutive months, then the PWS shall test and retest its water supply for water pathogens and lead and copper within 30 days. OPH anticipates that this will result in additional annual testing of 60,156 samples for iron at a cost of \$12.35 per sample, 603,984 samples for lead and copper at a cost of \$32 per sample, and 301,992 samples for water pathogens at a cost of \$45 per sample, for a total cost of \$33,660,055.

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REVENUE EXPLANATION

This proposed legislation provides that a PWS may be fined for noncompliance and that fines collected shall be deposited into the Drinking Water Revolving Loan Fund (DWRLF). Current law provides that failure to comply with sanitary codes may result in a PWS being assessed a maximum penalty of \$3,000 per day. The LFO cannot anticipate the amount of revenue that may be collected in fines from PWSs that fail to comply.

NOTE: The DWRLF was established in 1997 in accordance with the Safe Drinking Water Act Amendments of 1996 to provide low-interest loans and technical assistance to public water systems to assist them in complying with federal and state drinking water regulations. This program is funded with 80% federal funds from the Environmental Protection Agency and 20% state match.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Staff Director

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CONTINUED EXPLANATION from page one:
Expenditure explanation continued from page 1

Increased sampling for current testing

This bill provides that when PWSs test for lead and copper, it shall collect and test two water samples per household. Currently, PWSs only collect one sample at approximately 5,500 households per year. The cost for OPH to test one sample for lead and copper is \$32. The cost to test one additional sample per household is approximately \$176,000 (5,500 for one additional sample x \$32 per test).

Testing at day care centers and elementary schools

This bill further provides that drinking water at each child day care center and elementary school is tested annually for lead and copper. The LFO estimates that there are at least 2,679 child day care centers and elementary schools. This fiscal note assumes that two water samples per facility will be tested for lead and copper each year. Therefore, the total cost of testing is anticipated to be \$171,456 each year (2,679 facilities x 2 samples x \$32 per test).

Workload increase

Additionally, due to the increased workload of sample collecting, testing and data management, OPH indicates that they will need to hire four sanitarians at an average cost of \$105,837 each in salaries and benefits, for a total of \$423,349. Each sanitarian will be supplied with a computer and other equipment at a cost of approximately \$1,386 each, for a total of \$5,544. There is also anticipated to be \$30,800 of annual travel costs associated with collecting the samples.

Anticipated Annual Costs

\$33,660,055	Cost of new testing for iron, lead and copper, and water pathogens
\$ 176,000	Cost of an additional lead and copper sample with current testing
\$ 171,456	Cost of testing child day care centers and elementary schools
\$ 423,349	Salary and benefits for four sanitarians
\$ 30,800	Travel Costs
\$ 5,544	Equipment Costs
<u>\$34,467,204</u>	Anticipated Annual Costs

NOTE: This bill provides that safe drinking water fees may be used to cover the cost of the testing. In FY 18, OPH is projected to collect \$18,166,267 in safe drinking water fees, which is being used to assist in paying \$19,589,169 in safe drinking water expenses. Since all of the current safe drinking water fee collections are being used to pay for existing expenses, the fiscal note assumes that state general fund would be required to cover the cost of testing required in this bill.

Local

The proposed legislation will increase the expenditures of public water systems by an indeterminable amount. The systems are responsible for collecting and shipping water samples to the OPH lab for testing. As a result of this measure they will be responsible for collecting and shipping approximately 971,632 additional water samples each year.

Senate Dual Referral Rules

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