

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4066-01
BILL NO.: SB 1003
SUBJECT: Environmental Protection; Health Department; Health, Public; Sewers and Sewer Districts; Waste - Solid
TYPE: Original
DATE: March 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$176,127)	(\$184,990)	(\$189,801)
Missouri Public Health Services	\$218,868	\$17,041	(\$59,584)
Total Estimated Net Effect on <u>All</u> State Funds	\$42,741	(\$167,949)	(\$249,385)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** state they have issued approximately 1,000 permits per year since the inception of the on-site program in 1996. A survey of the District offices and Local agencies shows that there would be a significant increase due to deleting all exemptions from the statute. From the information provided, DOH anticipates a five-fold increase as a reasonable expectation for an increase in permits. Therefore, the fiscal note is based on 5,000 permits being issued per year.

DOH did a survey of the District offices and Local agencies and determined that approximately 200 cases were referred to the Office of Attorney General. DOH assumes the AGO would determine any fiscal impact on their agency.

DOH performed the following calculation to determine the number of contract staff that would be required at the local level and associated cost.

1,000 permits per year	5,000 permits per year
<u> x 5 fold increase</u>	<u> x 15 hours per permit</u> (time required supplied by locals)
5,000 permits per year	75,000 hours per year needed to work permits

75,000 hours / 2,080 work hours per year per contract staff = 36 staff needed to inspect 5,000 permits per year.

All 36 would be equivalent to the Environmental Public Health Specialist (EPHS) II classification. The DOH assumes a 25% fringe rate and \$5,000 for associated E&E. In addition, a survey of the Districts and Local agencies showed that there are currently 271 individuals at the local level who would be required to undergo training.

271 current FTE's
<u>+36 new staff</u>
307 total required to undergo training, estimated at \$500 @ = \$153,500

Local Assistance: 36 contractual EPHS II @ Range 22Q \$34,992 =	\$1,259,712
Fringe Benefits estimated for contractual staff 36 x 25% =	<u>\$314,928</u>
	\$1,574,640
Training costs 307 x \$500 =	\$153,500
Associated E&E costs 36 x \$5,000 =	<u>\$180,000</u>
	\$1,908,140

\$1,908,140 x .833 (10 months) = \$1,589,481 for year 1.

ASSUMPTION (continued)

$\$1,259,712 + 2.5\% \text{ incr } \$31,493 = \$1,291,205 + 25\% \text{ fringe } \$322,801 + \$5,665 \text{ E\&E } 3\% \text{ infl.} = \$1,619,670 \text{ for year 2.}$

$\$1,291,205 + 2.5 \text{ incr } \$32,280 = \$1,323,485 + 25\% \text{ fringe } \$330,871 + \$5,835 \text{ E\&E } 3\% \text{ infl} = \$1,660,191 \text{ for year 3.}$

DOH states the program would require an EPHS V for program coordination, one EPHS IV to provide additional support, coordination, technical assistance and consultation due to the significant increase in permits, two EPHS IV for the mandatory education component, three engineers to review a significant increase in plans, alternative systems, variances, and onsite visits, one Clerk Typist III, two Clerk Typist IIs and one Data Entry Operator II in order to register and track approximately 3,000 individuals for training in the central office.

DOH states the program would need, due to the extensive increase in permits and 36 staff at the local level, six EPHS IIIs to provide technical assistance and consultation to the local staff, and six Clerk Typist IIs would be housed, one at each district, to provide clerical support with the associated increase of paperwork and phone calls. DOH assumes that the board would meet for three, 2-day meetings. Costs for 14 board members would include \$65 for one night's lodging per meeting, \$45 for meals per day, and \$75 for mileage per meeting.

Oversight has allowed sixteen FTE with the Department of Health and the contracting costs associated with the requirements of this proposal.

Department of Natural Resources (DNR) officials state the proposal would remove the exemption for subdivisions under the jurisdiction of the DNR which are required by a consent decree to have class I, National Sewage Federation aerated sewage disposal systems. Currently, the department has not entered into a consent decree in effect on or before May 15, 1984 that would be required to obtain a class I, National Sewage Federation aerated sewage disposal systems. Therefore, this proposal would not impact the department. The proposal would establish a fourteen-member advisory professional and accreditation standard's committee, two of which would be from the DNR. The department assumes this would not result in a significant workload increase.

DNR states the proposal legislation would also require continuing education for on-site sewage treatment system contractors, soil scientists, designers, loan evaluators, service maintenance contractors and administrative authorities. If the department would be required to meet this provision, there may be additional resources necessary depending on the training program developed. If the department would be required under Section 701.046 to obtain a permit for

ASSUMPTION (continued)

construction, major modification or major repair to an on-site sewage treatment system, there may be costs to our Division of State Parks. Since the cost of the permit is not specified in this proposal, the amount of fiscal impact to the department is unknown.

Office of Attorney General (AGO) officials state that based on Department of Health's estimates that approximately 200 cases could be referred to the AGO, the AGO would need three Assistant Attorney General II positions to handle the case referrals.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - Office of Attorney General

Personal service (3 FTE)	(\$91,875)	(\$113,006)	(\$115,831)
Fringe benefits	(\$28,252)	(\$34,749)	(\$35,618)
Expense and equipment	<u>(\$56,000)</u>	<u>(\$37,235)</u>	<u>(\$38,352)</u>
Total <u>Costs</u> - Office of Attorney General	<u>(\$176,127)</u>	<u>(\$184,990)</u>	<u>(\$189,801)</u>

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

	<u>(\$176,127)</u>	<u>(\$184,990)</u>	<u>(\$189,801)</u>
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**MISSOURI PUBLIC HEALTH
 SERVICES FUND**

Income - Department of Health

Permit fees	\$3,050,000	\$3,050,000	\$3,050,000
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Costs - Department of Health

Personal services (16 FTE)	(\$510,740)	(\$628,409)	(\$644,120)
Fringe benefits	(\$157,053)	(\$193,236)	(\$198,067)
Expense and equipment	(\$265,440)	(\$212,138)	(\$218,212)
Local assistance	<u>(\$1,897,899)</u>	<u>(\$1,999,176)</u>	<u>(\$2,049,185)</u>
Total <u>Costs</u> - Department of Health	<u>(\$2,831,132)</u>	<u>(\$3,032,959)</u>	<u>(\$3,109,584)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICES FUND	<u>\$218,868</u>	<u>\$17,041</u>	<u>(\$59,584)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2001 (10 Mo.)	 FY 2002	 FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal pertains to on-site sewage treatment systems. The Department of Health would promulgate one set of rules to carry out its duties with regards to on-site sewage treatment systems. The Department would investigate any violations of on-site sewage treatment rules, inspect and investigate sites, and authorize experimental use of innovative systems for on-site treatment. Political subdivisions would establish ordinances for regulation and inspection of on-site sewage treatment contractors. The political subdivisions would maintain a minimum code of standards for design, construction, materials, operation and maintenance of on-site sewage treatment systems for the disposal of wastes. A local ordinance may differ from the state regulation and inspection if the ordinance demonstrates accepted public health principles. The Department of Health would review local ordinances no more than once annually. An aggrieved municipality or county may appeal the Department of Health's decision to the State Board of Health. Any municipality or county aggrieved by the State Board of Health may appeal to the Administrative Hearing Commission. The Prosecuting Attorney or Attorney General would institute proceedings for correction in cases of noncompliance or violations of any promulgated rule. The Department of Health would investigate nuisance complaints and develop a state standard for the design, construction, installation and operation of on-site sewage treatment systems based on soil morphology and specific site conditions. The Department of Health would develop a mandatory registration program which requires continuing education for licensed professionals and establish an education training program for on-site sewage treatment system contractors, soil scientists, designers, loan evaluators, service maintenance contractors and administrative authorities. The education training program would be developed with an advisory

L.R. NO. 4066-01
BILL NO. SB 1003
PAGE 6 OF 6
March 14, 2000

DESCRIPTION (continued)

professional and accreditation standards committee. The committee would consist of fourteen members with at least two members from each profession involved, including members from the Department of Health and Department of Natural Resources.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health
Department of Natural Resources
Office of Attorney General



Jeanne Jarrett, CPA
Director
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