

Department of Planning and Budget 2015 Fiscal Impact Statement

1. **Bill Number:** HB 2078

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Lingamfelter

3. **Committee:** Health, Welfare and Institutions

4. **Title:** Community Wastewater Treatment Grant Program and Fund.

5. **Summary:** Establishes the Community Wastewater Treatment Grant Program and Fund to provide grant funds to localities that are experiencing widespread onsite sewage system failure or potential failure for the construction of community wastewater treatment systems. Localities receiving grants are required to provide matching funds. The Board of Health is directed to establish guidelines setting out (i) criteria for grant eligibility, (ii) conditions to be included in the grants, (iii) grant distribution priorities, and (iv) general requirements for applying and qualifying for a grant.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:**

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015			
2016	99,500	1	General
2017	180,000	2	General
2018	180,000	2	General
2018	180,000	2	General
2020	180,000	2	General
2021	180,000	2	General

8. **Fiscal Implications:** This bill would have a fiscal impact on the Commonwealth and would require two positions to administer the grant program. The grant program's funding level would be established in the Appropriations Act and the Department of Health (VDH) would use a portion of this funding to administer the program. A professional level staff member (Pay Band 5) would be needed for the specialized grant administrator position with the expertise needed to run the program. The expense for this position is estimated to be \$94,500 (salary, benefits, and IT support), plus \$5,000 per year in travel costs. The grant administrator would attend community input meetings for each grant funded project or application, visit project locations to monitor work and ensure timely completion of projects,

draft grant eligibility requirements, guidelines, and policies, develop application protocols, and ultimately handle the day to day oversight of the program.

VDH estimates the need to hire a second position (Pay Band 5) in FY 2017 who would report to the grant administrator, assist with grant processing, attend community meetings about projects and also participate in stakeholder groups where communities are developing a plan and strategy to deal with a difficult and complex sewerage system need. The second position would assist with the annual review process, help process existing grant applications, and also monitor the progress and success of the grant recipients. The cost for the second position is estimated to be \$80,500 (salary, benefits, and IT costs).

As this is a new program, VDH has no historical data to base workload, management and oversight cost estimates. However, in FY 2011, VDH identified over 200 communities state-wide that required water and sewage assistance. In FY 2014, VDH received 3,914 applications to repair failing onsite sewage systems. If these numbers are indicative of the potential workload, VDH could expect anywhere from five to 50 applications per year. It is assumed this workload can be handled by the two new positions.

9. Specific Agency or Political Subdivisions Affected: Department of Health.

10. Technical Amendment Necessary: No.

11. Other Comments: None.