

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Marbet/Aikens	Date Prepared: 3-7-89	Bill No.: HB 157	Edition: 1
Approved By: Tom Covington TOMC			Sponsor: Fussell and Others
Short Title: State Water Plan			

TYPE OF FISCAL IMPACT		FUNDS AFFECTED:		() Other:		
		(X) General	() Highway	() Local		
	County/					
	State Gov't	Local Gov't	State Fiscal Impact	FY 89-90	FY 90-91	FY
No Fiscal Impact	()	()	State Total Req'ments	\$294,905	\$290,130*	
Increase Expenditure	(x)	(x)	Receipts/Revenues			
Decrease Expenditure	()	()	Net State Expend./Rev.	*See #2 below		
			No. of Positions			
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	()	()	Local Total Req'ments			
Decrease Revenue	()	()	Receipts/Revenues			
No Estimate Avail.	()	(x)	Net Local Expend./Rev.			
			No. of Positions			

Description of Legislation

1. Summary of Legislation:

The proposed legislation requires the Department of Natural Resources and Community Development and the Department of Human Resources to develop a state water supply plan. The Departments may require local jurisdictions to submit plans containing population and water use projections, future water supply needs and technical assistance required to meet water needs.

2. Effective Date: Upon Ratification

3. Fund or Tax Affected: General Fund

4. Principal Department/Program Affected:

Department of Natural Resources and Community Development/
 Department of Human Resources

Cost or Revenue Impact on State

	FY	FY	FY
	88-89	89-90	90-91

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues	DHR	46,315(c)	46,315(c)
		(1)	(1)
	NRCD	248,590	243,815
		(7)	(7)
	TOTAL	\$294,905	\$290,130
		(8)	(8)

3. Fiscal/Revenue Assumptions

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	90-91

1. Non-Recurring Costs/Revenues

2. Recurring Costs/Revenues Not Available

3. Fiscal/Revenue Assumptions

Sources of Data for Fiscal Note

Department of Human Resources - Water Supply Branch
 Department of Natural Resources and Community Development, Division of Water
 Resources

Technical Considerations/Comments

If enacted, responsibility for implementation of this bill would be between the Departments of Human Resources and Natural Resources and Community Development. The Department of Human Resources is responsible for reviewing plans and specifications for water supply systems and monitoring drinking water supplies. The Department of Natural Resources and Community Development is responsible for assessing water availability in streams, rivers, lakes, and aquifers; the

evaluation of competing needs for water; the development of river basin water management plans; regulation of water use where competition threatens to deplete existing supplies, and technical assistance to local governments for water supply planning. The Departments currently undertake some of these functions mandated in HB 157 in a voluntary, cooperative manner with local governments using existing resources. The federal government provided funding for watershed and river basin planning in the past. Since 1981, the federal government has scaled back its funding of these projects tremendously. HB 157 would require additional appropriations to develop a mandated, statewide water supply plan.

The Department of Human Resources has indicated that in order to implement the state requirement to develop a state water supply plan, the cost to the state would be \$46,315 in 1989-90 and \$46,315 in 1990-91. These funds are broken out as follows:

Engineer (Grade 75, Step 3)	\$32,712
Fringe benefits/ Other position costs	8,603
Travel	5,000
TOTAL (EACH YEAR)	\$46,315

There may be some costs to local jurisdictions, but at the present time those costs are not known. This is partly due to the fact that some counties may be able to absorb any related costs to this activity in their existing budgets, and other counties may not have the existing expertise for the activity.

The Department of Natural Resources and Community Development estimates the costs of implementing HB 157, if enacted, to be approximately \$270,000 each year. Further adjustments due to errors in amounts budgeted for staff salaries and salary related expenses, reduces this to \$248,590 in 1989-90 and \$243,815 in 1990-91. These funds would support seven positions. These amounts appear reasonable and are based on budget requests from previous years.

The estimate provided by the Department of Natural Resources and Community Development is based on a gradual rate of implementation. A faster rate of implementation might require additional funding, and consequently, an even slower rate of implementation could require even less funding than noted above. It may also be possible to contract for portions of the work required. To do so might reduce the need for additional permanent, full-time state employees.

Additional costs to local governments might also be required if this bill is

enacted. These costs estimates are not available because some local governments might be able to absorb such costs in their existing budgets. It is not clear from a review of this bill whether the plan being proposed is for one year or multiple years. If for a fixed number of years, additional personnel and funding might not be required beyond the specified period. It is conceivable that this may be discussed when both Departments report to the Joint Legislative Commission on Governmental Operations by October 1, 1989, as Section 3 of the bill requires.



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