

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB121-DEC-EH-04-23-21
Title: PFAS USE & REMEDIATION; FIRE/WATER
SAFETY
Sponsor: KIEHL
Requester: Senate Resources

Department: Department of Environmental Conservation
Appropriation: Environmental Health
Allocation: Environmental Health
OMB Component Number: 3202

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	225.7		225.7	225.7	225.7	225.7	225.7
Travel	7.5		7.5	7.5	7.5	7.5	7.5
Services	23.5		23.5	23.5	23.5	23.5	23.5
Commodities	15.0		1.0	1.0	1.0	1.0	1.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	271.7	0.0	257.7	257.7	257.7	257.7	257.7

Fund Source (Operating Only)

1004 Gen Fund (UGF)	271.7		257.7	257.7	257.7	257.7	257.7
Total	271.7	0.0	257.7	257.7	257.7	257.7	257.7

Positions

Full-time	2.0		2.0	2.0	2.0	2.0	2.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Laura Achee, Legislative Liaison
Division: Commissioner's Office
Approved By: Ruth Kostik, Administrative Services Director
Agency: Office of Management and Budget

Phone: (907)465-5009
Date: 04/23/2021
Date: 04/23/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 121

Analysis

This bill defines and establishes concentrations limits for per-and polyfluoroalkyl substances (PFAS) in drinking water. It requires that the Department of Environmental Conservation periodically test all drinking water in areas where PFAS has been released near a drinking water source. If results are above the limits established by the bill, it requires the responsible party to provide alternative drinking water. The Drinking Water program in the Division of Environmental Health would provide technical and engineering assistance to the Division of Spill Prevention & Response in their efforts to ensure drinking water is safe.

Personal Services:

The Division of Environmental Health would require two additional positions. One Environmental Program Specialist would conduct work specific to providing technical and compliance assistance to owners/operators of contaminated public drinking water systems and to the Division of Spill Prevention & Response in support of private drinking water system owners/operators, as well as coordinating with other local, State, and federal agencies. An Engineer would review and approve proposed treatment systems for contaminated drinking water systems.

Travel:

Travel would be required for program staff to conduct site visits and inspections, provide outreach to impacted Alaskans, and for staff training.

Services:

Contractual costs include outreach materials that would be developed and distributed in areas with impacted private drinking water systems.

Commodities:

Supply costs reflect new employee costs in the first year, and general office supplies in the out years.

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB121-DEC-AQ-04-23-21
Title: PFAS USE & REMEDIATION; FIRE/WATER
SAFETY
Sponsor: KIEHL
Requester: Senate Resources

Department: Department of Environmental Conservation
Appropriation: Air Quality
Allocation: Air Quality
OMB Component Number: 2061

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services							
Travel							
Services	80.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	80.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	80.0						
Total	80.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/22

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Laura Achee, Legislative Liaison
Division: Commissioner's Office
Approved By: Ruth Kostik, Administrative Services Director
Agency: Office of Management and Budget

Phone: (907)465-5009
Date: 04/23/2021
Date: 04/23/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 121

Analysis

This bill would require thermal remediation units treating per- and polyfluoroalkyl substances (PFAS) to obtain a Clean Air Act Title V permit from the Department for a source category or emission standard for which there is no corresponding EPA determination. The Department will need to amend its regulations and permitting process to put these units into the Title V permit program. The regulatory action will require the Air Quality Division to make findings that are subject to peer review under AS 46.14.010 - 46.14.015. The Department will also need technical support to determine its approach to minimal releases of pollutants.

AS 46.14.015 requires the Department to contract with a minimum of three separate parties to perform peer review of the Department's findings. The Department estimates \$60.0 contractual costs for peer review and \$20.0 for determining an approach to minimal releases of pollutants.

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB121-DEC-SPAR-04-23-21
Title: PFAS USE & REMEDIATION; FIRE/WATER
SAFETY
Sponsor: KIEHL
Requester: Senate Resources

Department: Department of Environmental Conservation
Appropriation: Spill Prevention and Response
Allocation: Spill Prevention and Response
OMB Component Number: 3094

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	445.1		445.1	445.1	445.1	445.1	445.1
Travel	10.0		10.0	10.0	10.0	10.0	10.0
Services	4,642.4		5,053.8	5,506.3	6,004.0	6,551.6	7,153.9
Commodities	45.0		2.0	2.0	2.0	2.0	2.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	5,142.5	0.0	5,510.9	5,963.4	6,461.1	7,008.7	7,611.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	5,142.5		5,510.9	5,963.4	6,461.1	7,008.7	7,611.0
Total	5,142.5	0.0	5,510.9	5,963.4	6,461.1	7,008.7	7,611.0

Positions

Full-time	4.0		4.0	4.0	4.0	4.0	4.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable; initial version.

Prepared By: Laura Achee, Legislative Liaison Phone: (907)465-5009
Division: Commissioner's Office Date: 04/23/2021
Approved By: Ruth Kostik, Administrative Services Director Date: 04/23/21
Agency: Office of Management and Budget

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 121

Analysis

The bill defines and establishes concentration limits for per- and polyfluoroalkyl substances (PFAS) in drinking water. It requires the Department of Environmental Conservation to ensure the responsible party tests all drinking water in areas where PFAS has been released near a water source. If the results are above the limits established by the bill, the Department is required to ensure the responsible party provide alternative drinking water and voluntary blood testing at no cost to the impacted individuals. The bill also requires that the Department ensures PFAS-exposed responders are provided voluntary blood testing. It prohibits the use of PFAS containing firefighting substances once no longer required by federal law. The bill would require the Department to publish public notice when the use of a firefighting substance that contains PFAS is no longer required by federal law and accept for disposal up to 25 gallons annually of PFAS containing firefighting substances from a person domiciled in Alaska.

Since the extent of PFAS contamination in Alaska is unknown, there is some uncertainty in calculating these annual expenditure amounts.

As with any contaminated substance release, the Department anticipates some responsible parties will not have the capacity to cover the costs for testing and alternative water, and that the State will ultimately bear a portion of those costs to ensure the safety of Alaskans.

Personal Services:

The Division of Spill Prevention and Response will require three additional positions at the Environmental Program Specialist III level, and one position at the Environmental Program Specialist IV to provide oversight and ensure responsible parties comply with PFAS testing, monitoring, providing alternative drinking water, and assessment activities.

Travel:

Travel would be required for program staff to conduct outreach, investigation, training, assessment, and site assessment activities.

Contractual:

Contractual costs include water sampling and testing of sites where PFAS has been released, as well as providing alternative sources of drinking water to those relying on impacted drinking water wells, and blood testing for sites where there is no known or capable responsible party. The Department will need to contract with a third party to dispose of PFAS containing firefighting substances. The Department anticipates consulting with the Department of Law frequently in identifying site ownership. As the testing continues, the universe of impacted sites would be expected to continue to grow, increasing these contractual costs each year.

Commodities:

Supply costs reflect new employee costs in the first year, and general office supplies in the out years.

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version: SB 121
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB121-DOT-COM-4-23-21
Title: PFAS USE & REMEDIATION; FIRE/WATER
SAFETY
Sponsor: KIEHL
Requester: Senate Resources

Department: Department of Transportation and Public Facilities
Appropriation: Administration and Support
Allocation: Commissioner's Office
OMB Component Number: 530

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	***	***	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	***	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	***	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? no
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Andy Mills, DOT&PF Legislative Liaison
Division: Commissioner's Office
Approved By: Dom Pannone, DOT&PF Administrative Services Director
Agency: Office of Management & Budget

Phone: (907)465-3900
Date: 04/23/2021
Date: 04/23/21

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2021 LEGISLATIVE SESSION

BILL NO. SB 121

Analysis

The bill defines and establishes concentration limits for per- and polyfluoroalkyl substances (PFAS) in drinking water. It requires that the Department of Transportation and Public Facilities (DOT&PF) test all drinking water in areas where PFAS has been released near a drinking water source. If results are above the limits established by the bill, it requires the department to provide alternative drinking water and voluntary blood testing at no cost. The bill also requires that the department ensure PFAS-exposed responders are provided voluntary blood testing. It prohibits the use of PFAS containing firefighting substances once no longer required by federal law.

DOT&PF has already conducted PFAS testing at 10 of 30 airports suspected of PFAS contamination due to aqueous film-forming foam (AFFF) used by airport crash rescue personnel, with five of those airports not exceeding previous PFAS health advisory limits. However, nearly all tests did not include samples for Hexafluoropropylene oxide dimer acid (HFPO-DA) so most sites will require re-testing at an approximate cost of \$100,000 per airport. Test results dictate the follow-on actions required of the department so are largely unknown at this time. DOT&PF has been providing bottled water at communities including Fairbanks, Gustavus and Yakutat, at an approximate cost of \$180,000 per community, while longer term water solutions are investigated.

Personal Services: The department currently has a PFAS coordinator that is managing a private contract and overseeing PFAS testing, monitoring, characterization, and assessment activities.

Travel: Travel will be required for staff to conduct outreach, investigation, training, assessment, and site characterization activities.

Contractual: Contractual costs include water sampling and testing of sites where PFAS has been released, as well as providing alternative sources of drinking water to those relying on impacted drinking water wells. The department will need to contract with a third party to dispose of PFAS containing firefighting substances once an alternative is approved. The department does not have expertise to provide blood monitoring so will need to contract those services out to a third party or other State agency through a reimbursable services agreement. As the testing continues, the universe of impacted sites is expected to continue to grow, increasing the contractual costs each year.

Commodities: Supply costs would include interim bottled water needs while contractual arrangements are secured.

The fiscal impact of this legislation cannot be determined by the department given variables such as testing that would be required under the new thresholds to know the extent of applicable sites, the currently unknown addition of sites yet to be identified with contaminant, and the inability to predict accidental discharge of PFAS during training for which the department would be considered the responsible party.