

# FISCAL NOTE

June 11, 2019

<b>Bill No:</b>	SB 575	<b>Printer's No:</b>	930	<b>Sponsor:</b>	Yaw (R)
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### COST / (SAVINGS)

<b>Fund (s)</b>	<b>2018-19</b>	<b>2019-20</b>
General Fund	See "FISCAL IMPACT"	\$21.5 million

**SUMMARY:** SB 575 amends Title 27 to establish the Watershed Innovation and Improvement Fund.

**ANALYSIS:** SB 575 amends Title 27 to create the Watershed Innovation and Improvement Fund and the Clean Water Procurement Program to be implemented by the Department of Environmental Protection (DEP) and the Pennsylvania Infrastructure Investment Authority (PennVEST).

SB 575 appropriates \$20 million from the General Fund to the Watershed Innovation and Improvement Fund. The bill stipulates that no more than 2.5% of the money in the fund shall be used for administrative costs by DEP, with the rest utilized for purchase of nutrient and sediment reductions by the Clean Water Procurement Program.

PennVEST is responsible for issuing bids for sediment reductions from approved contracted parties in consultation with DEP. The bill mandates that the contracts shall be for at least ten years and that a minimum of 20% of the nutrient or sediment reductions will be reserved for small farms. DEP must verify the reductions and may promulgate regulations for the program. PennVEST must also issue a publicly available annual report detailing the progress of the program.

**FISCAL IMPACT:** SB 575 appropriates \$20 million from the General Fund to the newly-established Watershed Innovation and Improvement Fund. Additionally, while the bill limits annual administrative expenses to \$500,000 for DEP, DEP projects \$2 million in annual administrative costs including staffing, IT, transportation, and infrastructure start up. So, this bill carries \$21.5 million in annual costs to the General Fund.