

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 3176
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: MARCH 3, 2023

SUMMARY

- Synopsis:** Requires DEP and Drinking Water Quality Institute to perform study concerning regulation and treatment of perfluoroalkyl and polyfluoroalkyl substances.
- Type of Impact:** One-time State expenditure increase.
- Agencies Affected:** Department of Environmental Protection.

Office of Legislative Services Estimate

One-Time Fiscal Impact	
State Expenditure Increase	Approximately \$258,000 to \$541,000

- The Office of Legislative Services (OLS) estimates that this bill will result in a one-time increase in State expenditures of approximately \$258,000 to \$541,000 for the Department of Environmental Protection to conduct a study on the regulation of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in drinking water.
- The fiscal impact of the bill may be higher than the range provided depending on certain factors, including the breadth of treatment technologies that will be evaluated in the study to determine their effectiveness in removing PFAS from drinking water.

BILL DESCRIPTION

This bill requires the Department of Environmental Protection, in consultation with the Drinking Water Quality Institute, to conduct a study on the regulation of PFAS in drinking water. The study includes an assessment of the feasibility of establishing a maximum contaminant level or other standard for the entire class, or for certain subclasses or mixtures, of PFAS in drinking water, rather than for each individual substance. The study is also required to include an assessment of treatment technologies that may be effective in removing PFAS from drinking water. The bill would require the department to publish the report no later than 24 months after the bill's enactment.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Executive has not submitted a formal fiscal note on this bill, but the information below was provided to the OLS by the Department of Environmental Protection upon request and serves as the basis for the OLS cost estimate.

Impacts to the Drinking Water Quality Institute

Though there would not necessarily be fiscal impacts to the Drinking Water Quality Institute (DWQI), there would be significant resource impacts. The DWQI is limited to 15 members who participate without compensation. The members already have other, primary professional obligations which limit their ability to produce evaluations on a regular basis. It is noted that they can request reimbursement for costs incurred as members but are otherwise not salaried. As the DWQI has limited resources, it has traditionally been tasked with addressing new/emerging contaminants of concern. Since providing maximum containment level recommendations for perfluorononanoic acid, perfluorooctanoic acid, and perfluorooctanesulfonic acid, the DWQI provided a maximum contaminant level recommendation for 1,4-dioxane for which the department is preparing rulemaking. The DWQI is currently evaluating cyanotoxins, as well as the 2022 U.S. Environmental Protection Agency's PFAS health advisories.

Impacts to the Division of Water Supply and Geoscience and the Division of Science and Research

The department provides administrative and technical support to the DWQI, which would be impacted by the additional requests in the bill. The department would need to dedicate additional resources to assist in the development and implementation of this study, which could be between 0.5 and 1.5 full-time equivalent employees, depending on the scope of the project. The department also does not have the resources or funds to conduct this study and would need to contract it out to a capable entity (i.e. a university). The cost of the study is expected to be similar to other studies being currently contracted by the department that range from \$200,000 to \$300,000 or more depending on the breadth of treatment technologies to be evaluated. The cost of running individual PFAS samples alone is approximately \$300/sample. For example, if the study were one year long, included 25 drinking water systems, and quarterly samples were collected, this would cost at minimum \$30,000 in water sample costs alone, not including full-time equivalent employee time to develop the parameters of the study and write and publish the findings.

In addition, while not specifically being noted as part of the need for the assessment required under the bill, the department feels it is extremely important to evaluate the treatment of PFAS in wastewater, which can impact drinking water sources. This assessment also would need to be contracted out and is estimated to cost approximately \$300,000 or more depending on the breadth of treatment technologies to be evaluated. Additionally, the program would need additional full-time equivalent employees to assist in the development and implementation of the study. There also would be additional cost in developing pilot testing at various water systems to see the effectiveness of existing PFAS treatment in removing other PFAS. Each PFAS sample costs approximately \$300, and many samples would need to be taken over the course of the study.

OFFICE OF LEGISLATIVE SERVICES

The OLS estimates that this bill will result in a one-time increase in State expenditures of approximately \$258,000 to \$541,000 for the Department of Environmental Protection to conduct a study on the regulation of PFAS in drinking water. This estimated range is based on information provided by the department that it would cost between \$200,000 and \$300,000 to contract out the study to a third party. The department would also have to dedicate additional full-time equivalent employee resources to assist in the development and implementation of the study. The department estimates that between 0.5 and 1.5 full-time equivalent employees would be required, depending on the scope of the project. The OLS determines that the salary cost of a full-time equivalent employee would be in the range of \$72,000 to \$100,000. The cost to the State of 0.5 to 1.5 such employees would therefore be between about \$58,000 and \$241,000 inclusive of fringe benefits. If the employee salaries fall below or above this estimated range, this fiscal estimate will change accordingly. Additional employee time also would be required to write and publish the required study.

The fiscal impact of the bill may be higher than the range provided depending on certain factors, including the breadth of treatment technologies that will be evaluated in the study to determine their effectiveness in removing PFAS from drinking water. Moreover, as noted above, the additional study recommended by the department to evaluate the treatment of PFAS in wastewater would cost the State approximately \$300,000 or more and would require additional full-time equivalent employee resources.

Section: Environment, Agriculture, Energy, and Natural Resources

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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).