



Office Memorandum

Date: July 3, 2013

To: Senator Rod Skoe, Chair
Senator Julianne Ortman
Senator Richard J. Cohen, Chair
Senator Michelle Fischbach

From: Margaret Kelly, State Budget Director *MK*

Re: Local Impact Note: SF 775: School Construction near a former landfill prohibition.

Minnesota Management and Budget received a request dated April 26, 2013, to prepare a local impact note on SF 775 which prohibits new school building construction within one-quarter mile of land that has been used as a landfill and written notice to parents and employees for those buildings already located within one-quarter mile.

Local impact notes are similar to the fiscal notes that you are familiar with, but they focus on the fiscal impact of proposed legislation on local governments rather than the State. This process is described in Minnesota Statutes 3.987 and 3.988. This statute requires Minnesota Management and Budget to gather and analyze information on local costs of legislation when requested by the chair or ranking minority member of either tax committee.

Minnesota Management & Budget relied heavily on the Pollution Control Agency for assistance while preparing the fiscal impact estimates. Significant assumptions were needed in order to identify possible costs associated with the bill. For that reason the local impact note estimates the fiscal impact for each school building impacted only. No statewide cost is estimated.

Local Fiscal Impact Analysis

SF 775 makes two changes in law. The first is to prohibit construction of school buildings within one-quarter mile of land that was once a landfill (defined as a site designed or operated for the purpose of solid waste disposal). The fiscal impact of prohibiting construction of school buildings is potential non-useable land costs for districts that have purchased land for construction or would like to expand school buildings but the land is located within the one-quarter mile limit. The second change is requiring schools located within one-quarter mile of a landfill to provide annual written communication to parents and employees.

The MPCA believes the definition of landfill provided in SF 775 is very broad. The usual use of the term landfill infers some level of engineered pollution controls and monitoring. The definition of landfill in SF 775 includes all sites where solid waste has been disposed. This will include many thousands of farms, households, ravines, dumps, and demolition sites. No such list of sites within Minnesota exists. This analysis assumes the definition of landfill is the same as the MPCA list of 2,000 dump sites from a 2001 Dump Assessment Study completed for the legislature.

Because the definition of landfill is broad, it is unlikely that school districts know if their existing buildings, athletic fields, or land are located within one-quarter mile of a dump site or closed landfill. Closed dump sites are not commonly disclosed locations. If SF 775 becomes law, school districts would have to access MPCA data posted online to identify possible landfill or dump sites in their area.

In order to identify the number of school buildings within one-quarter mile of a dump site, MPCA used school district location data from the Department of Education and compared street addresses with dump site addresses. The data is based on street address and not the footprint of either the school building or the dump site, limiting the likelihood of accurately identifying school buildings impacted. That analysis matched roughly 85 school addresses with dump site addresses. Because point data is not reliable, this analysis estimates the fiscal impact of an average sized district with a building already located within one-quarter mile of a dumpsite. No statewide cost is estimated.

The fiscal impact this note cannot address is the non-useable land costs for districts that own land located within one-quarter mile of a landfill but will be unable to build on that land. Without an address to compare the site with a closed landfill address, MMB has no way of estimating the number of school districts impacted or the value of the land impacted.

Assumptions

- The state average school district enrollment is 2,338 children.
- The state average full-time employee per school district is 263.
- It is estimated that it will cost \$0.35 to print and mail each letter, including a map of the dump site.

It would cost the average-sized school district \$910 each year to mail one letter to every child and employee in the district. It is possible that only one building within the district is impacted, so costs may vary. The potential non-useable land costs for districts that have purchased land for construction or would like to expand school buildings but the land is located within the one-quarter mile limit is not quantifiable.

Secondary Fiscal Impacts

Per fiscal note policy, secondary impacts are excluded from fiscal note and local impact note fiscal estimates. "Discussion of potential secondary costs may occur within the narrative of the fiscal or local impact note, but should never be included in the table."

School districts with buildings or athletic fields on or within one-quarter mile of a former landfill (dump site) will send notification of such to parents and employees. MPCA believes a likely response to that notification will be questions and concerns about health related impacts. It is likely that no school district impacted by SF 775 has performed a health assessment as it relates to the landfill (dump site). If the school chooses to fully answer parent questions the school will need to hire a consultant to look at the history of the sites and do limit testing. MPCA estimates that preliminary investigation costs would be between \$8,000 and \$20,000 per school. If the tests show possible health impacts additional consultant investigations and costs would be incurred. MPCA could, under the Voluntary Investigation and Cleanup Program, assist the schools with interpreting the site histories and the consultants' findings. That assistance costs \$125 per hour.

If you or your staff has any questions about the local note process feel free to contact Kristy Swanson, Executive Budget Officer, (651) 201-8082.

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cc: Senator Karin Housley
Representative Bob Dettmer
Representative Ann Lenczewski, Chair
Representative Greg Davids
Representative Lyndon Carlson Sr., Chair
Representative Mary Liz Holberg
Legislative staff