

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6478**  
**BILL NUMBER:** HB 1060

**NOTE PREPARED:** Dec 12, 2007  
**BILL AMENDED:**

**SUBJECT:** Great Lakes Compact.

**FIRST AUTHOR:** Rep. Pelath  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill implements the Great Lakes - St. Lawrence River Basin Water Resources Compact.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** The bill provides that Indiana would participate in the Compact. The Department of Natural Resources (DNR) would provide staffing for the Compact. As staff the DNR would be required to evaluate proposals and monitor withdrawals from the Basin as well as attend regional meetings. Implementing the system in the Great Lakes Basin will require four full-time staff. The first-year impact is estimated to be \$265,697 with annual costs of approximately \$210,000 in years thereafter. Any impact to the state would occur after legislation is passed by all states in the Compact and upon approval by the U.S. Congress. States involved include Illinois, Indiana, Michigan, Minnesota, New York, Ohio, and Wisconsin, and the Commonwealth of Pennsylvania.

**Background:** The estimated first-year annual impact equals \$265,697. For years two through five, the \$21,000 expenses for the car and the costs for computer and office equipment will not be an issue. Eliminating this first-year cost would result in annual costs after the first year of around \$210,000. It is anticipated that existing office space in Indianapolis, Michigan City, and Columbia City could be used, and only one vehicle would be required for field work.

<b>Position</b>	<b>Base</b>	<b>Fringe (34%)</b>	<b>Total</b>
Hydraulic Engineer II	\$43,966	\$14,948	\$58,914
Engineering Geologist II	\$36,504	\$12,411	\$48,915
Env. Scientist III (x2)	\$66,768	\$22,700	\$89,468
<b>Additional Costs</b>			
Vehicle	One time/5 yrs		\$21,000
Fuel	Annual		\$3,000
Computers	4 @ \$1,100		\$4,400
Misc.	Office supplies, uniforms, travel, phones, etc.		\$30,000
Regional Meetings and Support			\$10,000
Estimated First-Year Impact			<b>\$265,697</b>

The DNR reverted \$1.3 M in state General Fund revenue in FY 2007.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR.

**Local Agencies Affected:**

**Information Sources:** DNR.

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