



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #241

### **Brownfields Redevelopment Positions and Funding (Commerce and Safety and Professional Services)**

[LFB 2011-13 Budget Summary: Page 127, #10 (part)]

#### **CURRENT LAW**

The blight elimination and brownfields redevelopment (BEBR) grant program provides financial assistance to individuals, businesses and local governments for assessing and remediating the environmental contamination of an abandoned, idle, underused or blighted industrial or commercial facility or site. The program integrates the state brownfields grant program with the federal CDBG Blight Elimination and Brownfield Redevelopment (CDBG-BEBR) program, and combined state and federal funding of approximately \$7 million is provided. The amount of an award depends upon the type of project and source of funding. The maximum grant that can be awarded is \$1.25 million, and matching funds of 20% to 50% are required depending upon the type and size of award.

BEBR is administered by a grants supervisor and grants specialist-advanced position. The grants supervisor manages the federal CDBG-BEBR grant application process, grant contract applications, and the state and federal grants management databases. The position also supervises professional staff, monitors grant fund balances, and develops and implements program specific training, information, and technical assistance to individuals, local governments, professional organizations, interagency committees, and businesses and community development organizations. The grants specialist position reviews and underwrites grant applications, negotiates and prepares grant contracts, establishes and maintains databases and other systems to monitor grant projects, and monitors selected grant recipients for contract compliance. The position also provides technical assistance, and information to grant applicants. The two positions are funded through a SEG appropriation [s. 20.143(1)(qa)] with petroleum inspection fund (PIF) revenues.

The Petroleum Environmental Cleanup Fund Award (PECFA) program is funded from the segregated petroleum inspection fund. Revenue for the fund is generated from the 2¢ per

gallon petroleum inspection fee. Under Chapter 168 of the statutes, Commerce is responsible for inspecting petroleum products brought into the state to assure that the product meets minimum product grade and environmental specifications. The grade specifications are established by administrative rule and are based on nationally recognized standards, specifications and classifications. A petroleum inspection fee is imposed on all of the inspected petroleum products. The Department of Revenue (DOR) collects the fee at the same time it collects the motor vehicle fuel tax at petroleum company terminals. Up to approximately 3.6 billion gallons of petroleum are inspected annually (including gasoline, diesel and heating oil).

**GOVERNOR**

Transfer the brownfields redevelopment activities appropriation and \$194,000 petroleum inspection fund SEG annually and 2.0 SEG positions from Commerce to the Department of Safety & Professional Services (DSPS).

**MODIFICATION**

Delete the brownfields redevelopment activities appropriation [s. 20.165(2)(qa)], including \$194,000 SEG annually and 2.0 SEG positions under DSPS.

**Explanation:** The transfer of brownfields redevelopment activities appropriation, funding and positions from Commerce to DSPS was an error. The administration indicates that this appropriation and the related funding and positions should have been deleted as part of eliminating Commerce. This modification would accomplish this. The SEG funding would revert to the petroleum inspection fund.

	<b>Change to DSPS</b>	
	Funding	Positions
SEG	- \$388,000	- 2.00

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