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FISCAL IMPACT STATEMENT

LS 6223

BILL NUMBER: HB 1138

NOTE PREPARED: Feb 22, 2023

BILL AMENDED: Feb 21, 2023

SUBJECT: Preschool and Child Care Facility Drinking Water.

FIRST AUTHOR: Rep. Jackson

FIRST SPONSOR: Sen. Niemeyer

BILL STATUS: As Passed House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the owner or operator having authority over a child care facility or preschool to test the drinking water in the child care facility or preschool before January 1, 2025, to determine whether lead is present in the drinking water. It identifies exceptions to testing before January 1, 2025. The bill requires action to reduce lead concentration that equals or exceeds the action level for lead. It also requires the Environmental Rules Board to adopt rules, including emergency rules, that conform with the forthcoming Lead and Copper Rule Improvements being promulgated by the EPA.

Effective Date: July 1, 2023.

Explanation of State Expenditures: The Department of Health (IDOH) laboratories offer lead testing for drinking water at a fee of \$20 per sample plus shipping charges for testing kits. To the extent that child care providers utilize IDOH laboratory services to meet the testing requirements under the bill, the IDOH may experience an increase in laboratory workload. However, providers may also choose to have testing conducted by a private laboratory. Also, the Indiana Department of Environmental Management (IDEM) may experience an increase in workload to the extent that providers consult with the IDEM regarding remediation of fixtures with actionable lead levels. *[Administrative activities of the IDOH are funded by appropriations from the Tobacco Master Settlement Fund. The IDEM receives General Fund appropriations for administrative functions.]*

The Environmental Rules Board must adopt rules that conform with the EPA's Lead and Copper Rule Improvements. This requirement represents a typical workload for the Environmental Rules Board and will be completed within existing resources.

Limited federal grant funding administered through the Indiana Finance Authority (IFA) may be made available to cover the costs of drinking water testing at child care facilities.

Additional Information: Federal Grant Funds for Lead Testing: The Water Resources and Infrastructure Planning Program of the IFA, with the assistance of IDEM, has conducted a voluntary program to test water in public schools for lead since 2017. The program was made available for child care facilities starting in 2019. The program is funded by a federal grant, which was most recently released to Indiana in June 2021 at \$423,000. The IFA will accept funding applications for child care facility lead testing on an on-going basis until the funding is fully allocated.

Testing and Remediation Activities: Water supplied to facilities by public water utilities is required to be tested for lead at the source. The bill requires testing of the taps and fixtures from which drinking water is accessed. There are currently 769 licensed child care centers, 2,145 licensed home child care providers, and 704 registered ministry child care providers in Indiana. There are currently 241 public school buildings that offer pre-kindergarten programs. Child care facilities and preschools who were tested in 2019 or 2020 by the IFA will not be required to test their drinking water before 2025. If child care facilities and preschools were not tested in this time frame, they will be required to test before January 1, 2025, and if necessary, provide remediation.

Explanation of State Revenues:

Explanation of Local Expenditures: Child care facilities and preschools could experience an increase in workload and costs to fulfill the bill's requirements.

Explanation of Local Revenues:

State Agencies Affected: Department of Health; Department of Environmental Management; Indiana Finance Authority; Environmental Rules Board.

Local Agencies Affected: Child care facilities; preschools.

Information Sources:

Indiana Finance Authority, *Lead Sampling Program:* <https://www.in.gov/ifa/2958.htm>;

Indiana Department of Health Laboratories:

<https://www.in.gov/health/laboratories/files/Water-Test-Kit-Order-Frequently-Asked-Questions-FAQ.pdf>

Indiana Family and Social Services Administration, *Child Care Provider Listings:*

<https://www.in.gov/fssa/carefinder/family-resources/forms/child-care-provider-listings/>;

Indiana Department of Education, *2022-2023 School Directory*;

U.S. EPA, *WIIN Grant: Lead Testing in School and Child Care Program Drinking Water:*

<https://www.epa.gov/dwcapacity/wiin-grant-lead-testing-school-and-child-care-program-drinking-water>

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