

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11-3586/1	Introduction Number AB-0421
Description The issuance of, and exemptions from, certain individual permits, contracts, and general permits for structures, deposits, and other activities in or near navigable waters; areas of significant scientific value that are areas of special natural resource interest; repair and maintenance of boathouses and fixed houseboats; information required to be published on the Department of Natural Resources Internet Web site; expedited procedures for certain plan approvals; deadlines for action on certain approval applications; and granting rule-making authority	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input checked="" type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others 0 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.370 (2) (dg); 20.370 (4)(bi)	
Affected Ch. 20 Appropriations	
Agency/Prepared By	Authorized Signature
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Date	
12/9/2011	

Fiscal Estimate Narratives

DNR 12/9/2011

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Assumptions Used in Arriving at Fiscal Estimate

The bill makes several changes to the regulation of certain activities that occur in or near navigable waters.

A. Water Division--Bureaus of Watershed Management and Drinking Water & Groundwater

1. Process Improvements for Permit Reviews - This element will reduce program costs by an indeterminate amount, due to increased operational efficiencies for permit reviews.
2. General Permitting – The Department assumes it will create 4 additional general permits as a result of the provision of the bill, and that an estimated 200 general permits will be issued annually that would otherwise have been site-specific permits. Therefore, the Department estimates a \$40,000 annual loss in permit revenue due to sales of 200 general permits at \$300 apiece instead of \$500 apiece (200 x \$200 reduced permit price = \$40,000). In addition, the Department estimates reduced staff time of 16 hours per permit as a result of issuing general permits instead of site-specific permits. This translates to an estimated reduction in salary and fringe costs of \$117,000 (16 hrs. per permit x 200 permits x \$36.56/hr. = \$117,000).
3. Bridge/Culvert Permitting Exemption for Local Units of Govt. – This provision has no fiscal effect on permitting revenues since local units of government do not pay permit fees under current law.
4. Grading Permit Exemption – Bill provides a grading permit exemption if the project is authorized by a state stormwater permit or local shoreland permit. The Department estimates that this provision will result in 200 fewer grading permits issued each year, which will result in decreased permit fee revenue of \$80,000 annually [(100 permits x \$300/permit)+(100 permits x \$500/permit)]. In addition, the Department estimates reduced staff time of 3,200 hours as a result of 200 fewer grading permits being issued annually (200 permits x 16 staff hrs./permit = 3,200 hrs.), which will result in estimated annual salary savings of \$117,000.
5. The provisions of the bill that specify the expedited review of low hazard dams are not expected to have a significant fiscal effect since minor database modifications have already been planned for implementation that would ensure that staff are tracking when dam plans are coming into the Department. Provisions of the bill that specify expedited review of wastewater or public water supply plans are not expected to have a significant fiscal impact.
6. Web-based Public Noticing--The provision of the bill that allows for the publication of web-based public notices will result in estimated cost savings of \$32,500 for public notices related to WPDES (Wisconsin Pollutant Discharge Elimination System) permits. These cost savings are based on an assumption of 250 notices/year at \$130 per notice.

Savings would be generated from implementing web-based public noticing for changes to nutrient plans for large permitted dairy operations. Assuming that there are about 200 licensed CAFOs (Concentrated Animal Feeding Operations), and assuming that each CAFO would require between 2-4 public notices per year, annual cost savings are estimated at \$78,000. (\$130 per public notice x 200 CAFOs x 3 public notices per year)
7. Web-based tracking of application status--The Department estimates that the one-time cost to build an initial foundation for a web-based tracking system is \$150,000. Additional costs would be incurred thereafter as more and more types of permits are integrated into the system. At this point, these additional costs are indeterminate.

8. Pier registration system--The provision of the bill that eliminates the pier registration system would generate minimal one-time cost savings since the program is already going to sunset in April 2012.

9. One-time implementation costs - The bill is expected to result in increased one-time workload related to updating program procedures and databases, developing general permits, revising application materials, training staff, and conducting customer outreach. Implementation is estimated to require a one-time expenditure of \$114,800 and 1.44 FTE. No one-time increases in fee revenue are anticipated. The detail on this estimate follows:

- a. 400 hours for policy coordinator to update internal procedures and application materials, general permit development, and for conducting staff training and external outreach at an estimated cost of \$17,600
- b. 200 hours for a database manager to update internal procedures and conducting staff training at an estimated cost of \$8,800.
- c. 200 hours for section chief for review, staff training and external outreach at an estimated cost of \$11,500.
- d. 200 hours for staff attorney to review and for staff training at an estimated cost of \$11,900.
- e. 200 hours for a database contractor to update the program database at an estimated cost of \$13,600.
- f. 1,400 hours for 35 field Water Reg and Zoning Specialists to attend 40 hours of staff training at an estimated cost of \$51,400.

10. Presumptive Permitting –The bill establishes that all site-specific permit applications where DNR does not meet deadlines are presumptively approved. At full staffing levels, it is assumed that the Department will meet all new or modified process deadlines. We anticipate some increase in permit appeals due to citizen, neighbor or stakeholder concerns about insufficient project information and insufficient assessment of impacts. In the last 2 years DNR has received 7 permit appeals annually. It is difficult to predict how many more contested case hearing requests will be received under this bill, but one typical hearing involves costs approximately \$11,100, based on the following staff time and expenditures:

- a. 80 hours for staff attorney to prepare case, presentation and briefs at an estimated cost of \$5,900.
- b. 8 hours for section chief for consultation and case preparation at an estimated cost of \$500.
- c. 40 hours for policy coordinator for consultation and case preparation at an estimated cost of \$1,800.
- d. 80 hours for water regulation and zoning specialist for case preparation and hearing testimony at an estimated cost of \$2,900

11. Areas of Special Natural Resource Interest (ASNRI) – The bill modifies the existing codified list of ASNRI, limiting waterway designations related endangered/threatened species to only those areas with critical habitat for the species. DNR does not have data to comprehensively map or designate these areas. The fiscal impact of this provision could range from significant to negligible, depending on the effort DNR undertakes to inventory and survey Wisconsin waters to determine if they contain critical habitat for endangered or threatened species. An estimated 25% of all streams and 32% of all lakes are ASNRI because of the presence of an endangered or threatened species, so a complete inventory would require assessing 2,686 lakes and 2,171 streams. An inventory for critical habitat on one waterway is estimated to take 84 hours of Field Biologist staff time, comprised of 64 hours of field work and 20 hours for review and data distribution, for an estimated one-time cost of \$3,100 per waterway.

12. Navigability / Ordinary High-Water Mark (OHWM) Determination – The bill requires DNR to post navigability and OHWM determination on DNR's website. This provision is expected to result in a two-year, one-time permanent staff workload to develop a database framework for storing and mapping determinations, and 4 LTEs for two years to conduct work related to collecting paper documentation of previous determinations filed in regional offices and service centers, creating spatial features using the embeddable locator tool in SWIMS and adding attribute information such as bed width, bank height, water depth, photographs, prior stream history for ditched waterways and whether the waterway was deemed navigable or not. Implementation is estimated to require a one-time cost of \$190,300 with ongoing annual expenses of \$18,000. The detail on this estimate is as follows:

One-Time Costs:

- a. 8,320 hours for 4 LTEs for 2 years @ 1040 hours/year --\$151,800
- b. Purchase of 2 computers--\$15,400
- c. GIS licenses – software support and annual license fee--\$10,000
- d. Travel expenses to regions and services centers--\$2,500
- e. 200 hours for policy coordinator for project development and to oversee LTEs--\$8,800
- f. 40 hours for database manager to coordinate project with existing database and oversee LTEs--\$1,800

Ongoing Costs:

- a. GIS software and licensing--\$10,000
- b. Software support--\$3,500
- c. Supplies--\$4,500

13. Deadlines for approving or disapproving well driller or pump installer applications -- The Department does not currently send out notices of deadline for these types of applications. Assuming that the Department receives 100 well driller or pump installer applications and 200 high capacity well applications per year, it is estimated that it will take 0.25 hours of an operations program associates time per application to complete the response letter. Therefore, it is estimated that it will require 0.04 FTE/year for this activity at an estimated cost of \$2,000 (operations program associate @ \$22.14/hr salary and fringe x 2080 hrs. + \$5,200 supplies related expenditures = \$51,200 x 0.04 FTE = \$2,000).

In addition, the Department would need to modify the well driller pump installer license process and therefore would need to incur one-time costs of approximately \$200 to modify its web site.

B. Enforcement and Science Division--Bureau of Science Services

1. Deadline for issuing lab certification approvals—If existing administrative rule language is sufficient to meet lab certification approval requirements and the refund/notification provisions in the bill, then there would be no cost associated with rule revision process. However, if the Department is required to incorporate these bill provisions into administrative rule, the one-time rule implementation costs are estimated at \$4,500.

Assuming that the Department would be fully staffed to comply with the deadlines that are included in the bill, there would be no fee refunds issued for failure to meet the deadline and thus no fiscal effect. However, with current staffing levels, about 20% of the applications may not be approved or disapproved by the established deadline, resulting in estimated annual refunds of \$4,400.

2. Deadline for issuing water system or septage service vehicle operator approvals—Implement the bill provision into administrative rule would require the Department to incur one-time rule implementation costs estimated at \$7,400. Assuming that the Department would be fully staffed to comply with the deadlines that are included in the bill, there would be no fee refunds issued for failure to meet the deadline and thus no fiscal effect. However, with current staffing levels, about 20% of the applications may not be approved or disapproved by the established deadline, resulting in estimated annual refunds of \$7,500.

C. Air & Waste Division--Bureau of Waste and Materials Management

1. Web-based Public Noticing--The Bureau of Waste and Materials Management issues approximately 15 public notices per year related to landfill-related projects, mining certificates of completion and matters relating to hazardous waste treatment, storage and disposal . Assuming that each public notice costs about \$130, total annual savings are estimated at \$2,000.

The Bureau of Air Management issues approximately 170 public notices annually related to air permits, with costs varying according to the nature of the notice. Annual savings to the Bureau of publishing these notices on the web are estimated at \$21,800.

Indeterminate, one-time costs would need be incurred to implement a web-based public noticing system.

2. Web-based tracking of application status--The Bureau of Air Management has already achieved considerable savings and efficiencies through the implementation of WARP (Wisconsin Air Resource Program), an on-line permit application and database system. Therefore, savings associated with the web tracking provisions of the bill would be minimal. However, approximately \$2,000 annually could be saved by the notifying parties of permit actions via online instead of by mail.

For the Bureau of Waste and Materials Management, the proposed language for this provision is broad; therefore, without knowing more about the scope of the web-tracking obligation, the Department categorizes the fiscal impact as indeterminate.

3. Approval or disapproval of waste operator/transporter licenses--The bill requires the Department to approve or disapprove applications for solid waste operator certification, hazardous waste transporter license, and medical waste transporters license within 30 days. For the most part, WMM already issues these licenses within 30 days provided the applications are complete, therefore, this provision has no fiscal effect.

4. Approval or disapproval of oil/gas exploration licenses--The bill requires the Department to approve or disapprove an application for an oil or gas exploration license within 60 days. The Department rarely receives these types of applications; therefore, this provision has no fiscal effect.

5. Approval or disapproval of metallic mine prospecting permit--The bill requires the Department to establish a time frame for approving or disapproving metallic mine prospecting permits. The Department has never issued a prospecting permit. The reason for this is mostly due to advances in technology. Mining companies have informed the Department that using the technology available today, they can obtain the necessary metallurgical information needed for mine planning via exploration boreholes and it is typically not necessary to sink shafts or construct large prospecting excavations. Therefore, it is assumed that this provision of the bill has no state fiscal effect.

6. One-time costs for amending and creating administrative rules--One-time costs are estimated at 1,040 staff hours and \$120,000 in salary/fringe costs to amend or create administrative rules related to oil and gas exploration and metallic mine prospecting.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$582,700 in one-time costs for amending/creating administrative rules, IT/database development, etc.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$-234,000
	(FTE Position Changes)		
	State Operations - Other Costs	20,000	-136,300
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$20,000	\$-370,300
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS	20,000	-370,300
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		-120,000
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-120,000
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
	NET CHANGE IN COSTS	\$-350,300	\$
	NET CHANGE IN REVENUE	\$-120,000	\$
Agency/Prepared By		Authorized Signature	Date
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