

Fiscal Estimate - 2011 Session

Original Updated Corrected Supplemental

LRB Number 11s0395/1	Introduction Number SSA1-SB156	
Description Regulation of persons engaged in drilling wells and heat exchange drillholes 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"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs	
Local:		
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected		
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Affected Ch. 20 Appropriations		
Agency/Prepared By	Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794	3/12/2012

Fiscal Estimate Narratives

DNR 3/12/2012

LRB Number	11s0395/1	Introduction Number	SSA1-SB156	Estimate Type	Supplemental
Description Regulation of persons engaged in drilling wells and heat exchange drillholes and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

This bill expands the current law regulating wells and well drilling so that it applies to heat exchange drilling. Current licensing and registration law only applies to wells constructed for obtaining groundwater for human consumption. The bill also requires continuing education specific to heat exchange drilling for individuals who engage in heat exchange drilling.

Fiscal Impact:

A. Annual Costs: The bill will increase costs to the Department by an estimated \$7,300 of salary and supplies related expenditures associated with 0.1 FTE. This estimate of fiscal impact includes costs associated with Department approval of training for heat exchange drilling.

Annual Approval of continuing education programs for heat exchange drilling – The Department estimates that it will take 0.1 FTE of Water Supply Specialist Adv. time to annually review and approve courses developed for continuing education of drillers engaged in heat exchange drilling.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2,080 + \$5200 supplies related expenditures = \$72,500 x 0.1 FTE = \$7,300

B. One-Time Costs: The bill will increase one-time costs to the Department by an estimated \$118,600 of salary and supplies related expenditures associated with 1.6 FTE. This estimate of fiscal impact includes costs associated with 1) Initial Driller licensing for individuals currently engaged in heat exchange drilling, who do not have licenses, 2) development of initial training plan for heat exchange drilling, 3) create an advisory committee for rule development and, 4) write rules that create registration, exam, training and experience requirements for heat exchange drilling.

1). Driller Licensing – The Department estimates that it will take 0.4 FTE of Water Supply Specialist Senior time to review an estimated 10 applications for driller licenses from individuals currently engaged in heat exchange drilling. The Department's time estimate assumes that each applicant will be inspected on 10 separate occasions (8 hrs. /inspection), while operating a drill rig, prior to issuing a license.

10 additional license applications x 80 hrs/ license = 800

800 hrs/1800 hrs/FTE = 0.4 FTE

Water Supply Specialist Sen. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500 x 0.4 FTE = \$29,000

2). Development of Heat Exchange Drilling Continuing Education – The Department estimates that it will take 0.2 FTE of Water Supply Specialist Adv. Time to plan and develop training related to heat exchange drilling.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500 x 0.2 FTE = \$14,500

3). Create an Advisory Committee for Rule Development – The Department estimates that it will take 0.1 FTE of Water Supply Specialist Adv. Time to create an advisory committee for rule development.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500 x 0.1 FTE = \$7,300

4). Write Rules that Create Registration, Exam, Training, and Experience Requirements for Heat Exchange Drilling – The Department estimates that it will take 0.6 FTE of Water Supply Specialist Adv. time, 0.1 FTE of Attorney time and 0.2 FTE of Natural Resource Program Manager time to develop and implement

changes to NR 146 and NR 812.

Water Supply Specialist Adv. (\$32.36/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$72,500
x 0.6 FTE = \$43,500

Natural Resources Program Mgr. (\$37.11/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$82,400
x 0.2 FTE = \$16,500

Attorney (\$34.78/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$77,800
x 0.1 FTE = \$7,800

C. Revenues: The Department estimates that this bill will increase revenue by \$500 per year. This estimate includes revenue associated with 10 additional well drilling license applications/license renewal applications with an associated fee of \$50/license.

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): \$118,600--see narrative for details			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$6,800		\$
(FTE Position Changes)	(0.1 FTE)		
State Operations - Other Costs	500		
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$7,300		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	7,300		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned	500		
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$500	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$7,300	\$	
NET CHANGE IN REVENUE	\$500	\$	
Agency/Prepared By		Authorized Signature	Date
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