

ADMINISTRATIVE RULES – FISCAL ESTIMATE COMPLETION INSTRUCTIONS

GENERAL INFORMATION

Under s. 227.14, Stats., a Fiscal Estimate form is required to be completed for each proposed permanent rule, and under s. 227.24, Stats. for each emergency rule. You are responsible under ch. 227.14, Stats., to update or correct the original fiscal estimate as described under conditions explained in the section below, titled **Fiscal Estimate Version**.

This form is completed using the information from the analysis that you conduct for how the rule's new or changed condition would affect the costs and revenues of state government; local government, including counties, villages, towns, cities, school districts, technical college districts, and sewerage districts, and the private sector (small businesses only).

After you have completed the Fiscal Estimate form, submit the form to the Rules Manager. **DO NOT** send the form (copy or original) to the Office of Strategic Finance (OSF).

INSTRUCTIONS ON COMPLETING THE FISCAL ESTIMATE FORM

1. Fiscal Estimate Version

Indicate whether the fiscal estimate is the first version (original) or an updated or corrected supplemental version of the original by checking the applicable checkbox.

You are required under s. 227.14, Stats., to revise the original fiscal estimate if the rule is revised so that the fiscal effect is significantly changed. You are also required to correct errors in the fiscal estimate.

Following are the requirements for updated and corrected supplemental fiscal estimates:

Updated fiscal estimates - use to make substantive changes to the original fiscal estimate based on better or more current information.

Corrected fiscal estimates - use to correct any computational or other clerical errors. **Do not** make substantive changes in a "corrected fiscal estimate" - for substantive changes to the fiscal estimate, use an updated fiscal estimate.

2. Administrative Rule Chapter Name and Number

Enter the rule chapter title and number as stated in the Wisconsin Administrative Code.

Example: HFS 83, Community Based Residential Facilities.

3. Subject Area

Enter a short description of the rule's subject matter.

Example: "To revise [or create] ch. HFS 83, relating to fire hazards and sprinkler systems in community based residential care facilities." If the rulemaking consists of general or miscellaneous revisions, enter the rule's title as stated in the Wisconsin Administrative Code. Example: "To revise [or create] ch. HFS 54, relating to child placing agencies".

4. State Fiscal Effect

Indicate the fiscal effect the rule would have on state revenues or costs as determined from the fiscal analysis as follows:

The rule would not have a fiscal effect

If the fiscal analysis indicates that the rule would have no fiscal effect on the Department's revenues or costs, check only the "No Fiscal Effect" checkbox.

The rule would have a fiscal effect -- a specific dollar estimate cannot be given

If the fiscal analysis indicates that the rule would have a fiscal effect on the Department's revenues or costs, but you conclude that a specific dollar estimate cannot be given, check the "Indeterminate" box. In addition to checking the "Indeterminate" box, indicate whether the fiscal effect would increase or decrease revenues or costs by checking the applicable box.

The rule would have a fiscal effect -- a specific dollar estimate can be given

If the fiscal analysis indicates that the rule would have a fiscal effect on the Department's revenues or costs and a specific dollar estimate can be given, check the applicable box. If you indicate that the rule would increase costs, also indicate, by checking "yes" or "no", whether the costs can be absorbed in the Department's existing budget.

5. Fund Sources Affected

Indicate whether the state funds that may be affected are general purpose revenues (GPR); federal program revenues (FED); program revenues (PR); program revenues-service (PRS); segregated fund revenues (SEG), or segregated fund revenues-service (SEG-S) by checking all applicable boxes.

Definitions:

Federal revenues or FED - moneys received from the federal government - s. 20.001 (2) (e), Stats

General purpose revenues or GPR - general taxes, miscellaneous receipts and revenues collected by state agencies which are paid into a specific fund, lose their identity, and are then available for appropriation by the legislature - s. 20.001 (2) (a), Stats

Program revenues or PR - revenues, which are paid into the general fund and are credited by law to an appropriation to finance a specified program or state agency - s. 20.001 (2) (b), Stats.

Program revenues-service or PRS - appropriated moneys in the general fund derived from any revenue source that are transferred between or within state agencies or miscellaneous appropriations - s. 20.001 (2) (c), Stats

Segregated fund revenues or SEG - revenues, which, by law, are deposited into funds other than the general fund and are available for the purposes for which such funds are created s. 20.001 (2) (d), Stats

Segregated fund revenues or SEG-S - appropriated moneys in a segregated fund derived from any revenue source that is transferred between or within state agencies or miscellaneous appropriations - s. 20.001 (2) (da), Stats

6. Affected ch. 20, Stats. Appropriations

List each subsection from s. 20.435 Stats. (ch. 20 appropriations) i.e., s. 20.435 (2) (a), (2) (gk), 20.435 (3) that are affected by the rules.

7. Local Government Fiscal Effect

Indicate the fiscal effect the rule would have on local government revenues or costs as determined from the fiscal analysis as follows:

The rule would not have a fiscal effect

If the fiscal analysis indicates that the rule would have no fiscal effect on local government revenues or costs, check only the "No Fiscal Effect" checkbox.

The rule would have a fiscal effect -- a specific dollar estimate cannot be given

If the fiscal analysis indicates that the rule would have a fiscal effect on local government revenues or costs, but you conclude that a specific dollar estimate cannot be given, check the "Indeterminate" box. In addition to checking the "Indeterminate" box, indicate whether the fiscal effect would increase or decrease revenues or costs by checking the applicable boxes.

The rule would have a fiscal effect -- a specific dollar estimate can be given

If the fiscal analysis indicates that the rule would have a fiscal effect on local government's revenues or costs and a specific dollar estimate can be given, check the applicable boxes.

8. Local Government Units Affected

Indicate the unit of local government that the rule affects. Check all boxes that apply.

9. Private Sector Fiscal Effect (small businesses only)

Indicate the fiscal effect the rule would have on the revenues and costs of the small businesses affected by the rule as determined from the fiscal analysis as follows:

The rule would not have a fiscal effect

If the fiscal analysis indicates that the rule would have no fiscal effect on the revenues or costs of the small businesses affected by the rule, check only the “No Fiscal Effect” checkbox.

The rule would have a fiscal effect -- a specific dollar estimate cannot be given

If the fiscal analysis indicates that the rule would have a fiscal effect on the revenues or costs of small businesses affected by the rule, but you conclude that a specific dollar estimate cannot be given, check the “Indeterminate” box. In addition to checking the “Indeterminate” box, indicate whether the fiscal effect would increase or decrease revenues or costs by checking the applicable box. If the rule would decrease revenues or increase costs, also indicate, by checking, “yes” or “no”, whether the fiscal effect would be a significant economic impact on a substantial number of small businesses.

The rule would have a fiscal effect -- a specific dollar estimate can be given

If the fiscal analysis indicates that the rule would have a fiscal effect on the revenues or costs of small businesses affected by the rule and a specific dollar estimate can be given, check the applicable box. If you indicate that the rule would decrease revenues or increase costs, also indicate, by checking “yes” or “no”, whether the decrease in revenues or increase in costs would have a significant economic impact on a substantial number of small businesses.

10. Types of businesses affected

Indicate the type of small businesses affected, i.e., nursing homes, day care centers, restaurants...

11. Fiscal Analysis Summary DO NOT leave this section blank.

Complete this section by inserting a summary of the fiscal analysis of how the rule’s new or changed condition would affect the costs and revenues of state government; local government, including counties, villages, towns, cities, school districts, technical college districts, and sewerage districts; and the private sector (small businesses only). Include the summary whether or not the rule would have a fiscal effect on the state or local government or the private sector (small businesses only) or whether increases or decreases in costs or revenues for these entities are indeterminate.

12. Long-Range Fiscal Implications DO NOT leave this section blank.

If the fiscal analysis indicates that there are no known long-range fiscal implications, complete this section by inserting a statement such as “None known”. If the fiscal analysis indicates that a rule’s new or changed condition will not only result in costs, as explained in the **Fiscal Analysis Summary**, but will also result in substantially increased costs that will not occur until several years in the future, indicate what the long run implications are and the assumptions made.

For example, if the rule requires two additional years of high school for all students, the initial cost might only be the increased number of teachers required. However, there would probably be a long-range cost for constructing school buildings, and enrollments in the technical colleges and universities might be reduced for a two-year period. **Do not** use this section to indicate that items such as inflationary costs or costs of future employee pay increases will result in increases in total costs.

13. Prepared By

Enter the name and telephone number of the person who performs the fiscal analysis, and the date the Fiscal Estimate form is completed.

14. Approved By

This section is for the name and telephone number of the OSF analyst who reviews the Fiscal Estimate form. The OSF analyst should enter his or her name, telephone number, and date of approval in this section.

ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. Fiscal Estimate Version

Original Updated Corrected

2. Administrative Rule Chapter Title and Number

HFS 173, HFS 175, HFS 178, HFS 195, HFS 196, HFS 197, and HFS 198 (no room for titles in form box)

3. Subject

Food Safety and Recreational Licensing Fee Schedule Increase

4. State Fiscal Effect:

<input type="checkbox"/> No Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

5. Fund Sources Affected:

GPR FED PRO PRS SEG SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. Local Government Fiscal Effect:

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

8. Local Government Units Affected:

Towns Villages Cities Counties School Districts WTCS Districts Others:

9. Private Sector Fiscal Effect (small businesses only):

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

10. Types of Small Businesses Affected:

Body Art (Tattooing & Piercing) Businesses, Recreational and Educational Camps, Campgrounds, Hotels, Motels, Tourist Rooming Houses, Restaurants, Bed & Breakfasts, and Vending Machine Businesses

11. Fiscal Analysis Summary

The Wisconsin Division of Public Health's Food Safety and Recreational Licensing (FSRL) program provides licensing and inspection regulatory services for restaurants, lodging, public pool and water attraction, body art and vending establishments. The state's service delivery is supported entirely by program revenue through licensing, inspection and other regulatory service fees. The proposed changes to the fee schedules contained in HFS 173 - Tattooing and Body Piercing; HFS 175 – Recreational and Educational Camps; HFS 178 – Campgrounds; HFS 195 – Hotels, Motels and Tourist Rooming Houses; HFS 196 – Restaurants; HFS 197 – Bed and Breakfast Establishments; and HFS 198 – Vending of Food will increase the fees for environmental health regulatory

service delivery for state-licensed establishments. In order to better sustain the program and ease the impact of increases fees, the FSRL program has proposed a two-phase fee increase. An initial fee increase will go into effect in state fiscal year 2010 and a second, and generally smaller, fee increase will go into effect in SFY 2012. This two-phased fee increase approach should ensure that the FSRL program can operate without a deficit until 2014.

The proposed fee increases will not affect Food Safety and Recreational Licensing program's operating costs. Approximately 71% of the program's costs are associated with staff salaries and fringe benefits. Staffing levels are projected to remain flat for the foreseeable future. For the past several years, staff salaries and benefits have increased at a rate lower than the average annual rate of inflation. The fee increases should raise program revenue from approximately \$2,862,088 in State Fiscal Year (SFY) 2009 to \$3,565,811 in SFY 2010 and to \$3,733,332 in SFY 2012.

The impact of this proposed fee schedule increase on local governments is varied and indeterminate. Slightly more than half of the state's local public health departments (LPHDs) provide environmental health regulatory services as agents of the state. Each agent LPHD reimburses 10% of its regulated establishment license revenue to the state for centralized administration and technical support. For those agent health departments, the increased fees will result in a higher reimbursement amount – equaling higher operating costs.

Some agent health departments base their local environmental health regulatory fee structure on the state's fee schedule while other agent health departments maintain fees that are much higher than the state's. Therefore, some local jurisdictions will raise fees commensurate with the new state fees. Other jurisdictions - whose fees are higher than the state's - may wish to wait before adopting their own fee increases. Regardless, the increased state fee structure will result in higher local health department reimbursements to the state for those local agencies that provide environmental health regulatory services.

The impacts of the proposed fee increases on small businesses will be varied. The proposed fees schedules generally reflect a typical increase of \$20 to \$100 for an annual operating license. Most FSRL fees have not kept pace with the rate of inflation for the past several years and, in general, the current and proposed annual license fee burdens are small. The proposed fees will increase operating costs for small businesses. However, the annual impact of most fees is small – particularly when evaluated in respect to the rate of inflation. A small business impact analysis determined that the proposed fees increases will be at a level well below the revenue and expense increases brought about by the change in the previous year's consumer price index.

Based on input from regulated industry representatives, the financial burden will be less on those businesses that comply with state codes and act to protect public health and safety. A greater fiscal burden will be borne by those establishments that require repeated re-inspections and operate without licenses. Small business revenues should not be impacted by these fee increases.

The proposed rule will have a positive fiscal effect on state government. The proposed fee increases should raise Food Safety and Recreational Licensing program revenue to a level where, for an approximately two-year period, the program's revenue will support program operating expenses. Despite losing permanent full-time employee positions and keeping operating costs increases at a level lower than that of inflation, current program fee revenue is not adequate to support the FSRL program. The proposed fee increases will allow the FSRL program to once again cover its operating costs.

The proposed rule will have an indeterminate fiscal effect on units of local government. Those units that do not provide environmental health regulatory services at the local level will feel no effect. Those local governments that provide EH regulatory services will experience a fiscal effect. However the effects will vary widely depending on local fee structures and how local fees are tied to state fees. In general, the proposed rule change will result in a larger amount of EH regulatory service reimbursement revenue being sent to the state.

The proposed rule will have indeterminate and highly varied effects on small businesses. As discussed above, the proposed rule contains increased FSRL program fees and more fee revenue will be collected from small businesses. However, the FSRL program fees have not kept pace with inflation and, in general, the annual license fee represents a very small fraction of a business' annual operating expenses. In addition, a greater portion of the fee burden will be borne by those establishments who require greater regulatory oversight. At the suggestion of regulated industry representatives, a lesser amount of the fee burden will be placed on those small businesses who observe their due diligence and who operate in compliance with the appropriate public health and safety codes.

12. Long-Range Fiscal Implications

None known.

13. Name - Prepared by David W. Pluymers	Telephone Number 608-266-8294	Date 6/12/08
14. Name – OSF Analyst Reviewer Ellen Hadidian	Telephone Number 608-266-8155	Date
Signature – DHFS Secretary or Designee	Telephone Number	Date