

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/94)

Subject

PECFA Revenue Obligations and Administration and Reimbursement

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Government Units Affected:
 Towns Villages Cities
 Counties WTCS Districts
 School Districts Others

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.370 (2) (dw)

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL -This bill authorizes the issuance of revenue obligations, not to exceed \$4.5 million dollars, from the petroleum inspection fund, for payment of claims under the PECFA program. Revenue obligations may not exceed \$4.5 million. The bill directs the Department of Commerce, in consultation with the DNR, to promulgate rules regarding: 1) specifying a method to determine risk to public health, safety, welfare and the environment posed by the discharges of petroleum products, 2) requirements that both departments must follow when issuing approvals of cleanups under PECFA, and 3) specifying information that must be submitted under PECFA, review procedures that must be followed by staff, and training requirements for staff. The bill also requires both agencies to jointly: 1) determine the least costly method of cleanup for high priority sites to achieve compliance with NR 140 enforcement standards, and to determine whether natural attenuation can be used for each cleanup, and 2) conduct annual reviews of high priority sites to determine the least costly cleanup methods which achieves compliance with enforcement standards. The bill also directs Commerce to : 1) determine the least costly method of cleanup for low and medium priority sites, 2) to conduct an annual review of low and medium priority sites, including determining the least costly method of cleanup, 3) use a competitive bidding process for sites likely to cost over \$60,000, and 4) to develop a schedule of usual and customary costs for sites not bid, until 6/30/01. Other bill provisions include: 1) PECFA reimbursement is limited to the least costly method of cleanup which will achieve compliance with enforcement standards, 2) creates a definition of natural attenuation, 3) provides an exemption from bidding certain contaminated sites near a public water supply well, 4) limiting PECFA reimbursement for costs incurred after the annual review to the least costly cleanup method which achieves compliance with the enforcement standards, 5) changes the co-pay equation, but retains the maximum deductible to \$7,500, 6) requires consultants to submit costs to Commerce quarterly, and 7) requires both agencies to complete closure request reviews within 60 days of receipt.

FISCAL ESTIMATE- This bill would require approximately 2.75 additional FTEs, based on the following:

- 1).5 FTE (910 hours x \$25.00 = \$22,750), project position, to consult with Commerce on the development and promulgation of rules regarding bill provisions.
- 2).1.75 FTE (3,200 hours x \$25.00 = \$80,000), annually, for determining the least costly method of cleanup which achieves compliance with the enforcement standards (bidding of sites >\$60,000), assuming 800 sites per year, at 4 hours per site for bidding consultations. This estimate also covers conducting annual reviews of high priority sites with Commerce to determine the least costly method of cleanup. It is unclear what else this provision may cover.
- 3)Approximately 200 hours per year for reviewing bid waivers at contaminated sites near public water supply wells. This work can be absorbed.
- 4).5 FTE (910 hours x \$25.00 = \$22,750), project position, to develop training materials and to properly train staff on implementation of the bill provisions.

A total of \$125,500 (\$45,500 in one time costs, and \$80,000 in annualized costs) cannot be absorbed in the Department's current appropriations.

Long-Range Fiscal Implications

Potential increased program costs due to changes in the definition of natural attenuation. A more restrictive definition than that of the current NR700 would not allow for closure at sites contaminated with metals above the enforcement standards, and for less degradable organics.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
DNR	Joe Polasek	(608) 266-2794	<i>Joe Polasek</i>	(608) 266-2794	03/16/1999

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.	Amendment No.
LRB 2110/2 AB 218	

Subject
PECFA Revenue Obligations and Administration and Reimbursement

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal affect):

\$45,500 (Total of 1 FTE)

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$80,000	
(FTE Position Changes)	1.75	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$80,000	
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS		
SEG/SEG-S	\$80,000	
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		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues		

NET ANNUALIZED IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$80,000	\$0
NET CHANGE IN REVENUES		\$0

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