AB0800 3S

Wisconsin Federation of Cooperatives

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2/14/2002

To: Members, Assembly Committee on Agriculture

From: John Manske, Director of Government Relations

RE: Support for Assembly Bill 800

The Wisconsin Federation of Cooperatives (WFC) supports Assembly Bill 800 and requests your prompt positive action on it. It is an important bill aimed at ensuring fiscal health in the Agricultural Chemical Cleanup Program (ACCP) fund and Agrichemical Management (ACM) fund for this biennium and beyond. In order to do this at a time of state financial crisis in the general fund, it does not request restoration of GPR that historically was an important part of the ACCP. Instead, it proposes a shared burden across those most impacted – those who pay in and those who receive ACCP reimbursement and ACM program services.

AB 800 contains provisions that are challenging to agriculture at a time of continued low commodity prices. Hopefully, the authority given to increase the ACCP surcharge on fertilizer by a maximum of 50 cents per ton will not have to be implemented through rulemaking. However, as a package, the proposals contained in AB 800 represent the best fiscal calculations of DATCP, along with input from those on the committee. Without the legislative success of such a package, the future viability of the ACCP and various programs funded through the ACM fund are in clear doubt. We feel that important points to consider include the following:

- The DNR has not justified retaining the approximately $1.3 million they receive each year from fees on agrichemical product sales. The DNR staff presentation to the ACCP/ACM Fee Advisory Committee was incomplete. Follow up requests for additional detail have not resulted in convincing arguments for the DNR's retention of the $1.3 million.

- Eliminating the minimum required year-end balance in the ACCP and reducing the maximum balance to $3 million will more accurately reflect reality and present less of a temptation to legislators anxious for non-GPR resources.

- Apart from AB 800, administrative actions by DATCP are resulting in staff and program efficiencies and reductions to reflect the budget difficulties.

Thank you for considering our request for support of AB 800.

Wisconsin Agribusiness Council, Inc.

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ASSEMBLY COMMITTEE ON AGRICULTURE
February 14, 2002

Testimony of Amy Winters, Vice President of Government Relations for the Wisconsin Agribusiness Council and contract lobbyist for CropLife America (formerly the American Crop Protection Association), the Wisconsin Fertilizer and Chemical Association and the Wisconsin Christmas Tree Producers.

Chairman Ott, members of the committee, thank you for the opportunity to testify on Assembly Bill 800 pertaining to pesticide license fee surcharges and the Agriculture Chemical Cleanup Program (ACCP).

As I testified before this committee this past August, we are very supportive of the Agricultural Chemical Clean-Up Program (ACCP), but are agitated about how the fund has been handled since the programs inception in 1993 (over 5 million dollars in raids in just the last two budgets) and are vehemently opposed to the retroactive nature of the fee increase approved this past fall.

Since the passage of that retroactive fee increase, we have been working with Representative Ott, DATCP and other agriculture organizations to work on a package that would help reduce some of the problems this program has seen because of the way it is structured; Assembly Bill 800 is a result of that effort.

It is important to note, that Secretary Harsdorf and his staff exceeded our expectations in fulfilling their promise to us that they would help to fix the problems with the program that resulted in the retroactive fees being necessary. Now we are asking for your commitment to advance this important measure.

The ACCP program has initiated more than 400 long-term cases and another estimated 450 commercial sites still need to be investigated. Of those already initiated, 180 have been cleaned up and closed, and the remaining 220 cases are currently being addressed. The program also cleans up about 75 one-time agri-chemical spills, such as traffic accidents and equipment failures, each year. This program is very important to the economic well being of the agricultural industry and to the health of Wisconsin's environment. We implore you to show Wisconsin producers and agribusinesses that the legislature will live up to its commitment to this program by advancing Assembly Bill 800.

Thank you for your time and attention to this important issue.

SIERRA CLUB
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John Muir Chapter

Concerns with AB 800/SB 426 concerning Pesticide and Fertilizer Fees and the Agrichemical Management Fund
Before the Assembly Committee on Agriculture
By Caryl Terrell, Chapter Director
Feb. 14, 2002

The Sierra Club-John Muir Chapter continues to support the original funding concept for the Groundwater Fund - those industries historically responsible for groundwater contamination must contribute funds for the research, staff, services and supplies for groundwater protection and clean up. Likewise, the separate Agrichemical Management Fund is to be funded by annual fees and surcharges on a range of chemicals sold in Wisconsin.

AB 800/SB 426 recognize that many of these fees have not been adjusted for several years, while the need has certainly not diminished for groundwater protection from chemical contamination. We support the increase of fees in these bills. The Environmental Fund is used extensively and is generally run with a near zero balance. Section 18 of these bills, which reduces the annual balance from five to three million dollars, appears to suggest that the Agrichemical Management Fund should be managed similarly.

These fees and surcharges are intended for two different purposes but it appears that these bills attempt to merge the funds. This is not justified. Any deficit problems of the Agrichemical Management Fund should be dealt with by a combination of cost-cutting actions, (see Sections 16 and 17 for an example) and by raising fees intended to support cleanup activities. It is not appropriate to raid the Environmental Fund, a proposed in sections 11 and 12,

We suggest that the demand for cleanups caused by wood preservatives may increase. Perhaps the modest fee in Section 9 should be raised.

Thank you for considering these concerns.

Do not Raid the Groundwater Fund.

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State of Wisconsin
Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection
James E. Harsdorf, Secretary

Date: February 18, 2002

FEB 26 2002

To: Assembly Committee on Agriculture

From: Nicholas J. Neher, Administrator
Agricultural Resource Management Division

RE: **Agrichemical Industry Funds and Their Use**

At the hearing on AB 800 this past week, Representative Steinbrink requested the Department provide an accounting of the total scope of agrichemical fees and how they are apportioned. That request was later amended to specifically identify the amount of agrichemical fees transferred to DNR since the inception of those transfers.

We have attached numerous documents that answer these questions. Most of these were already prepared or presented at various points in the Department's work with the ACM/ACCP Fee Advisory Committee. Others are summaries of more lengthy materials.

As noted at your hearing, the agrichemical industry is supportive of the package, provided all components remain in that package. However, if individual parts are changed, they may not be supportive. Some of the attached documents are provided in part because they provide a more complete explanation of the information upon which the committee based its recommendations and support.

We are continuing efforts to meet with DNR and resolve any issues they may still have with the legislation. Both agencies recognize the importance of each agency's work and the need to maintain a cooperative relationship. We are hopeful that this will lead to an equitable solution that can be supported by all parties this legislation affects.

Thank you once again for your interest in this bill and your willingness to work with the department in addressing issues associated with funding Wisconsin's agrichemical programs, while also minimizing the impacts of the projected shortfall.

The Agrichemical Management (ACM) /Agricultural Chemical Cleanup Program (ACCP) Fee Advisory Committee was comprised of the following membership. This membership was believed to comprise those individuals and organizations that contribute to and are most regulated by the programs in the Agrichemical Management Bureau.

ACM/ACCP Funding Advisory Committee

This committee would meet in October to discuss long-term funding options for the Agrichemical Management Fund (ACM Fund) and the Agricultural Chemical Cleanup Program Fund (ACCP Fund). The intended work product of this committee would be recommended legislation to provide sufficient funding to match anticipated program management costs and ACCP reimbursement grants over the next five years. The recommendations may include separate legislation or separate timing to address these two funding issues, or one package that would address both at once.

Agricultural Chemical Cleanup Council members (2 vacancies)
- Joe Roche—farmer
- Bill Prange—dealer
- Frank Masters—dealer
- Judy Fassbender—environmental consultant

Betsy Ahner, Wisconsin Fertilizer and Chemical Association
John Manske, Wisconsin Federation of Cooperatives
John Petty, Wisconsin Agri-Service Association
Amy Winters, Wisconsin Agri-Business Council
Paul Zimmerman, Wisconsin Farm Bureau
Ron Statz, National Farmers Organization
Bill Brey, Wisconsin Farmers Union
Dave Flakne, Syngenta
Ron Kuehn, Chemical Specialties
Scott Ditmarsen, Dow Chemical
Bill Vogel, Wisconsin Landscape Federation
Jim Schmidt, Wisconsin Pest Control Association
Rep. Alvin Ott
Sen. David Hansen

Also invited
Legilative Fiscal Bureau
Department of Administration
DATCP Bureau of Budget and Accounting

Following is a financial summary for the ***Agrichemical Management Bureau*** that will be included in the Agricultural Resource Management Division's 2001 Annual Report*. This summary includes all funding sources collected from the agrichemical industry by the Agrichemical Management Bureau. The summary identifies each individual revenue source and the agency/fund to which those dollars are deposited. The report also summarizes federal revenues used to operate activities of the Bureau.

The final page of this section is an ***Expenditures by Program*** list for the individual programs located within the Agrichemical Management Bureau, and the FY 2000/2001 costs to operate each of these programs. These figures equal the annual report fiscal summary and will be incorporated in the individual program summaries of the Division's annual report. This page was provided to the ACM/ACCP Fee Advisory Committee for their October, 2001 meeting. Comparable data was presented in annual reports from prior years, and could be assembled if needed.

* Each spring the Agricultural Resource Management Division publishes an annual report that details the program activities and financial dealings of that Division for the prior year. Sufficient copies of the 2000 annual report are no longer available to supply the full committee. The 2001 annual report will be prepared later this year. Because the financial section of the annual report is prepared based on a fiscal year (vs. calendar year) that portion of the 2001 report was completed in time for the ACM/ACCP Fee Advisory Committee discussions.

Agrichemical Management Bureau

What is the Agrichemical Management Bureau
The Agrichemical Management Bureau, located within the Agricultural Resource Management Division of the Wisconsin Department of Agriculture, Trade and Consumer Protection, contains the state's regulatory and enforcement programs associated with animal feeds, fertilizers, pesticides and other plant production and pest control materials used in agricultural, urban and industrial settings. The Bureau is responsible for consumer protection, environmental protection and protection of human and animal health. Additional detail on each program follows this summary of Agrichemical Management funding.

The Agrichemical Management Bureau is structured as one integrated program with multiple program components. Programs are centrally coordinated through individual program specialists located in the Programs, Containment and Remediation, and Water Quality Sections. Agrichemical and environmental enforcement specialists throughout the state handle field implementation of these programs. These field personnel and associated supervisory and management staff comprise the Compliance and Investigation Section, which also coordinates most formal enforcement actions for the Bureau. These four sections strive to coordinate daily program activities to provide uniform regulation and enforcement, while assuring appropriate specialized knowledge in each program area.

Revenue Sources
Because of the closely related regulation and enforcement activities of the bureau, funds for the programs are largely combined. Four sources fund the Agrichemical Management Bureau:

Agrichemical Management Fund (ACM Fund)
Agricultural Chemical Cleanup Program Fund (ACCP Fund)
Federal Grants (FED)
Gifts, Grants and Special Projects

The ACM Fund and the ACCP Fund are composed of many industry fees, as detailed later in this report. Both funds are considered segregated revenues (SEG) which means that these revenues are maintained separately from other state revenues and are to be used for specified purposes. Federal funding covers portions of several federal programs that the Bureau implements and the Bureau can also receive direct contributions for special projects. Each of these funding sources identifies how the funds can be used and the following sections of this report will provide more information on each revenue.

Fiscal Years and Fee Periods Covered in this Report
This section covers the state fiscal year 01 (FY 00/01), which ran from July 1, 2000 through June 30, 2001. Federal grants run on different cycles than the state fiscal year.

This report covers those portions of the federal grants that occurred during the state fiscal year.

Agrichemical Management Fund (ACM Fund)
The Agrichemical Management Fund (ACM Fund) is the primary source of funding for the regulatory, investigative and enforcement aspects of the Agrichemical Management Bureau. The ACM Fund is comprised of fees collected from most of the agricultural, commercial and industrial segments regulated by the bureau. This includes revenues from licenses, permits, registrations and tonnage fees under the feed, fertilizer, lime, pesticide and soil and plant additive programs. The ACM Fund also covers the cost of agricultural clean sweep grants to counties.

Under the ACM Fund, individual revenues are not directed to individual programs. Fertilizer fees, for example are not exclusively used for fertilizer program costs. Instead, all these revenues are jointly deposited into the ACM Fund and cover the combined costs of these closely related programs.

A portion of the fees collected by the Agrichemical Management Bureau are deposited in the ACM Fund. Other portions of fees and surcharges are deposited to the ACCP Fund and still others forwarded to other agencies. Tables 1 through 3 detail the various industry fee rates and the total revenues collected by the Bureau.

Table 1
FY 00/01 AGRICHEMICAL MANAGEMENT FUND

SOURCE	FEE	FY 00/01 REVENUE
Opening Balance		$6,281,456
Feed License	$25	32,150
Feed Tonnage	$0.13/ton	364,391
Fertilizer License	$30	20,660
Fertilizer Permits	$25 one time	6,935
Fertilizer Tonnage	$0.23/ton	316,257
Lime License	$10	1,050
Pesticide Application Business	$70	118,270
Pesticide Dealer-Restricted Use	$60	24,664
Pesticide Individual Applicator	$30	179,811
Pesticide Reciprocal Certification	$75	12,630
Pesticide Registration * Household sales $0-25,000	$91	447,929
Pesticide Registration* Household sales $25,000-75,000	$526	134,130
Pesticide Registration * Household sales >$75,000	$1,076	248,556
Pesticide Registration * Industrial sales $0-25,000	$171	125,660

SOURCE	FEE	FY 00/01 REVENUE
Pesticide Registration* Industrial sale $25,000-75,000	$666	44,622
Pesticide Registration * Industrial sales >$75,000	$2666	178,622
Pesticide Registration * Nonhousehold $0-25,000	$176	631,539
Pesticide Registration * Nonhousehold $25,000-75,000	$696	146,160
Pesticide Registration * Nonhousehold >$75,000	$2,666 + 0.2%	1,030,106
Soil & Plant Additive License	$25 annual	4,734
Soil & Plant Additive Tonnage	$0.25	3,077
Veterinary Clinic Permit	$25/2 yr	25
Interest on ACM Fund		305,811
Miscellaneous Revenues (un-cashed checks & rebates)		18,705
Total Revenue		$4,396,495
Statutory Lapse to GPR**		$1,000,000
Expenditures (see individual programs)		$5,601,036
FY 00/01Ending Balance		$4,076,915

* Pesticide registrations are deposited by statute to each fund. Breakouts between fee levels shown here are based on registration records for each fee level, with late fees and penalties included in the lowest fee tiers.

** A scheduled transfer to GPR of $1,000,000 that was required in FY 99/00 by 1999 Act 9 did not occur until the start of FY 00/01.

Agricultural Chemical Cleanup Program Fund (ACCP Fund)

The Agricultural Chemical Cleanup Program Fund (ACCP Fund) includes industry fees or surcharges to pay reimbursements for agricultural chemical spill cleanups under *s. 94.73, Stats.* FY 00/01 marked the final year of a moratorium on collection of ACCP surcharge fees. This moratorium was set in place because of a higher than expected fund balance caused by private sector delays in claim submission. Rulemaking commenced early in the fiscal year to resume collection of fees, beginning in December, 2001. Statutes require the department to maintain a minimum fund balance of $2 million, although projections from early in the fiscal year anticipated that the October, 2000 deadline for old costs, and the statutory lapses to GPR would cause the fund to drop below the minimum balance before rules could re-implement the fees. Table 2 shows the maximum fee levels allowed by statute.

Table 2
FY 00/01 AGRICULTURAL CHEMICAL CLEANUP FUND

SOURCE	MAXIMUM SURCHARGE	FY 00/01 REVENUE
Opening Balance		$ 7,303,576
Fertilizer License	$20 if no pesticide license	0
Fertilizer Tonnage	$0.38/ton	0
Pesticide Application Business	$55	0
Pesticide Dealer-Restricted Use	$40	0
Pesticide Individual Applicator	$20	0
Pesticide Registration Nonhousehold $0-25,000	$5	0
Pesticide Registration Nonhousehold $25,000-75,000	$170	0
Pesticide Registration Nonhousehold >$75,000	1.1% of sales	0
Interest on ACCP revenues		$ 414,889
Total Revenues		$ 414,889
Expenditures (ACCP Reimbursements)		-$3,971,619
Transfer to GPR, per *1999 Act 9*		-$ 500,000
FY 00/01 Ending Balance		$ 3,246,846

Other Industry Fees
In addition to the fees paid to the ACM Fund and ACCP Fund, the Agrichemical Management Bureau collects fees from the agrichemical industry that are directed to other state agencies or programs.

FY 00/01 fees collected for other agencies are shown in Table 3. Actual transfers may differ based on collection dates and transfers in prior or subsequent fiscal years.

Table 3
FY 00/01 OTHER AGRICHEMICAL REVENUES AND USES

SOURCE	FEE AND AGENCY	FY 00/01 REVENUE
Fertilizer Tonnage	$0.10 DNR 0.10 UW Res. 0.10 UW Ext. 0.02 Wgt & Measure	$ 134,630 DNR 134,630 UW Res. 134,630 UW Ext. 27,008 DATCP
Feed Tonnage	$0.02 Wgt & Measure	55,756 DATCP
Lime Tonnage	$0.0125 UW Res.	13,114 UW Res.
Pesticide Registration* Household sales $0-25,000	$124 DNR	618,264 DNR

SOURCE	FEE AND AGENCY	FY 00/01 REVENUE
Pesticide Registration* Household sales $25,000-75,000	$124 DNR	31,620 DNR
Pesticide Registration* Household sales >$75,000	$124 DNR	28,644 DNR
Pesticide Registration * Industrial sales $0-25,000	$94 DNR+$5 for some wood preservatives	68,714 DNR
Pesticide Registration* Industrial sale $25,000-75,000	$94 DNR+$170 for some wood preserves	6,298 DNR
Pesticide Registration * Industrial sales >$75,000	$94 DNR+1.1% for some wood preserves	28,324 DNR
Pesticide Registration* Nonhousehold $0-25,000	$94 DNR	335,580 DNR
Pesticide Registration* Nonhousehold $25,000-75,000	$94 DNR	19,740 DNR
Pesticide Registration* Nonhousehold >$75,000	$94 DNR	23,970 DNR
Pesticide Well Compensation	$150 DNR	18,900 DNR
Soil & Plant Additive Tonnage	$0.10 DNR 0.10 UW Res.	1,085 DNR 1,085 UW Res.
	TOTALS	$1,309,471 DNR 148,829 UW Res. 134,630 UW Ext. 82,764 DATCP Wgt & Measures

* Pesticide registrations are deposited by statute to each fund, but are not recorded by individual fee levels. Breakouts between fee levels shown here are based on registration records for each fee level.

When and How Paid

Industry fees for ACM, ACCP and the other agencies are all assessed as one fee and apportioned to the various funds by program staff as defined by statute. For example, when the fertilizer tonnage was collected in August, 2000, the industry was assessed $0.55 per ton. This fee was then split between the UW, DNR, DATCP's Weights and Measures program and the ACM Fund, as shown in Tables 1 and in Table 3.

The various programs pay fees at different times of the year. Fertilizer tonnage and license fees are due in August of each year, while pesticide licenses and registrations are due in December and feed fees are due in February. Table 4 shows the payment dates for all fees and the period for which this fee is paid. Generally, permits, licenses and registrations are paid in advance, while tonnage is paid after the year is completed. Pesticide registrations represent a cross between these, since the license (registration)

fee is paid in advance of the year for which registration is sought, but the fee amount is determined by prior year sales amounts.

Table 4
AGRICHEMICAL FEE PAYMENT DATES

SOURCE	DUE DATE	FOR PERIOD
Feed License	2/28/01	3/1/01-2/28/02
Feed Tonnage	2/28/01	Calendar 2000
Fertilizer License	8/14/00	8/15/00-8/14/01
Fertilizer Permits	Prior to distribution	Until product or label changes
Fertilizer Tonnage	8/14/00	7/1/99-6/30/00
Lime License	12/31/00	Calendar 2001
Lime Tonnage	2/1/01	Calendar 2000
Pesticide Application Business	12/31/00	Calendar 2001
Pesticide Dealer-Restricted Use	12/31/00	Calendar 2001
Pesticide Individual Applicator	12/31/00	Calendar 2001
Pesticide Reciprocal Certification	Prior to work in Wisconsin	end of calendar year
Pesticide Registrations	12/31/00	Calendar 2001 (amount due based on sales 10/99-9/00)
Pesticide Well Compensation	12/31/00	Calendar 2001
Soil & Plant Additive License	3/31/01	4/1/01-3/31/02
Soil & Plant Additive Permit	Prior to distribution	Until product or label changes
Soil & Plant Additive Tonnage	3/31/01	Calendar 2000
Veterinary Clinic Permit	12/31/99	Calendar 00 and 01

Federal Grant Funds
The bureau receives grants from three federal agencies:
US Environmental Protection Agency (EPA)
US Department of Agriculture (USDA)
US Food and Drug Administration (FDA)

The EPA grant is the most significant of these grants. The Department, through the Agrichemical Management Bureau acts as EPA's agent for implementing, investigating and enforcing federal pesticide laws and regulations. The EPA grant includes several components, some of which are awarded based on an allocation formula (base), while other parts are awarded on a competitive basis (discretionary). The USDA grant provides funding for inspection of restricted-use pesticide records on farms. The FDA grant provides funds for inspection of certain medicated feed producing establishments.

Table 5
FEDERAL GRANT FUNDING DURING STATE FY 00/01

GRANTING AGENCY	PURPOSE	STATE FY 00/01 TOTAL
US Environmental Protection Agency	Pesticide regulation and enforcement, applicator certification and special projects	$736,223
US Food and Drug Administration	Medicated feed mill inspections	$ 28,567
US Department of Agriculture	Restricted-use pesticide recordkeeping	$ 14,408

General Purpose Revenues
General Purpose Revenues were not available to the Agrichemical Management Bureau during FY 00/01. An appropriation for paying a portion of the Agricultural Chemical Cleanup Program reimbursement requests exists from prior years, but the amount available during FY 99/00 and 00/01 has been zero. GPR funds cannot be used for any cleanup program staff, supply or laboratory costs, or for any other agrichemical program.

Gifts, Grants and Special Projects
By statute, the Department may collect fees from the public or industry for laboratory tests completed by the Department for programs under *s. 93.06(1p), Stats.* The Department may also cooperate with other state agencies and compensate or be compensated by these agencies for services performed, as is done with the federal grants under *s. 93.06(11), Stats.* Section *20.115(8)(g), Stats.*, allows the Department to accept gifts and grants to carry out the program activities or special projects for which the grants are made. No gifts or grants were received during this fiscal year.

Fiscal Year 00/01 Expenditures by Program
Program expenditures and use of staff time are listed under each program area. While the Agrichemical Management Bureau tracks the total expenditures from each fund in detail, costs for individual programs within the Agrichemical Management Bureau are tracked based on staff time for each program area and a pro-ration of supply and service expenses. Most staff function in multiple programs on any given day. During one site visit, for example, an enforcement specialist may conduct a containment inspection, sample a fertilizer product, discuss an ongoing spill cleanup and review pesticide records. In the office, one staff person may go from feed label review to a call on worker protection issues then on to providing health and safety training for pesticide staff or a staff meeting to develop a bureau workplan.

The program costs reported for each program are based on time reports kept by staff, multiplied by their respective salary/fringe costs and combined with each program's laboratory expenses. Supply and service costs that are not uniquely related to a single

agrichemical program are pro-rated across all these programs based on agrichemical staff hours spent in each individual program. For example, since 10% of agrichemical staff hours are spent on feed program activities, 10% of building rent, office supplies, phone charges, computer expenses, etc., are each attributed to the total cost of the feed program shown in this report.

Expenditures by Program
FY 00/01 Levels

Fertilizer and Pesticide Containment Program	$ 188,900
Agricultural Clean Sweep	155,100
Ag Sweep Grants	483,400
Ag Chem Cleanup (ACCP) (including spill response, excluding ACCP reimbursements)	1,300,000
Endangered Species	106,300
Feed	742,800
Fertilizer/Soil & Plant Additive/Lime	493,900
Pesticide Applicator Certification/Licensing (includes business and dealer licensing)	281,400
Pesticide Registration and Programs (includes registration, special registration, enforcement, landscape reg.)	1,577,600
Worker Protection (pesticide)	75,300
School IPM	61,300
Water Quality	870,100
Federal Reimbursements (mostly for pesticide programs, some for feed)	(784,700)
Total Program Expenditures from ACM Fund	$5,601,000

During FY 2001, the ACM and ACCP fees were at reduced levels. These fee levels were reduced because of the large balances in both the ACM and ACCP funds at that time, with the intent of dissuading further conversions of industry generated funds to other purposes (GPR).

The reductions in fees were temporary and the "full fees" are now resuming. The following ***2003 Fee Schedule*** shows the fee structure that is in place under current law. The provisions of AB 800 or SB 426 would amend this fee schedule. The "2003 Fee Schedule" was provided to the ACM/ACCP Fee Advisory Committee for their October, 2001 meeting.

The bottom of the second page shows the total revenues collected from the agrichemical industry by the ACM Bureau and provided to the entities identified.

2003 FEE SCHEDULE UNDER CURRENT STATUTES AND RULES

Source	Units	Fee Breakdown/ Total	Estimated Revenue
Feed License	1,250 locations	$25 for ACM	$31,000 ACM
Feed Tonnage	2,800,000 tons	**$0.23/ton for ACM** 0.02 for Wgts & Measures $0.25 total	644,000 ACM 56,000 Wgts & Measures
Fertilizer License	580 locations	$30 for ACM 20 for ACCP if no pest. lic. $30 or $50 total	17,000 ACM 5,000 ACCP
Fertilizer Permit Applications	120	$25 for ACM	3,000 ACM
Fertilizer Tonnage	1,300,000 tons	$0.30 for ACM 0.02 for Wgts & Measures 0.10 for DNR 0.10 for UW Extension 0.10 for Research (UW) 0.38 for ACCP $1.00 total	390,000 ACM 26,000 Wgts & Measures 130,000 DNR 130,000 UW Extension 130,000 UW Research 494,000 ACCP
Lime License	100 firms	$10 for ACM	1,000 ACM
Lime Tonnage	1,200,000 tons	$0.0125 for Research (UW)	15,000 UW Research
Pesticide Application Business	1,300 locations	$70 for ACM 55 for ACCP $125 total	91,000 ACM 72,000 ACCP
Pesticide Dealer-Restricted Use	410 locations	$60 for ACM 40 for ACCP $100 total	25,000 ACM 16,000 ACCP
Pesticide Individual Applicator	5,800 persons	**$40 for ACM** 20 for ACCP $60 total	232,000 ACM 116,000 ACCP
Pesticide Reciprocal Certification	200 persons	$75 for ACM	15,000 ACM
Soil & Plant Additive License & Permit Appl	40	$25 for ACM (license) $100 for ACM (permit appl.)	4,000 ACM
Soil & Plant Additive Tonnage	11,000	$0.25 for ACM 0.10 for DNR 0.10 for UW Research $0.45 total	3,000 ACM 1,000 DNR 1,000 UW Research
Veterinary Clinic Permit	300	$25/2 yr for ACM	4,000 ACM
Primary Producer Fee	110 firms	$150	$17,000 DNR

Source	Units	Fee Breakdown/ Total	Estimated Revenue
Pesticide Registration Household sales $0-25,000	4,850 products	**$141 for ACM** 124 for DNR $265 total	684,000 ACM 601,000 DNR
Pesticide Registration Household sales $25,000-75,000	255 products	**$626 for ACM** 124 for DNR $750 total	160,000 ACM 32,000 DNR
Pesticide Registration Household sales >$75,000	230 products	**$1,376 for ACM** 124 for DNR $1,500 total	316,000 ACM 29,000 DNR
Pesticide Registration* Industrial sales $0-25,000	725 products	**$221 for ACM** 94 for DNR + $5 for WP $315 total (+ $5 for WP)	160,000 ACM 68,000 DNR
Pesticide Registration* Industrial sale $25,000-75,000	65 products	**$766 for ACM** 94 for DNR + $170 for WP $1,060 total (+ $170 for WP)	50,000 ACM 7,000 DNR
Pesticide Registration* Industrial sales >$75,000	65 products	**$2,966 for ACM** 94 for DNR + 1.1% for WP $3,060 total (+ 1.1% for WP)	193,000 ACM 25,000 DNR
Pesticide Registration Nonhousehold $0-25,000	3550 products	**$226 for ACM** 94 for DNR 5 for ACCP $325 total	802,000 ACM 334,000 DNR 18,000 ACCP
Pesticide Registration Nonhousehold $25,000-75,000	210 products	**$796 for ACM** 94 for DNR 170 for ACCP $1,060 total	167,000 ACM 20,000 DNR 36,000 ACCP
Pesticide Registration Nonhousehold >$75,000	255 products $175M sales	**$2,966+0.2% for ACM** $94 for DNR 1.1% for ACCP $3,060 + 1.3% total	1,106,000 ACM 24,000 DNR 1,925,000 ACCP
Total Revenue Estimates		ACM Weights & Measures DNR UW Extension UW Research ACCP	$5,098,000 82,000 1,288,000 130,000 145,000 2,682,000

*Wood preservatives (WP) containing creosote or pentacholorphenol pay an additional surcharge to DNR.

At their October, 2001 meeting, the ACM/ACCP Fee Advisory Committee asked the agency to further explain the approximately $1.3 million in ACM program costs related to the ACCP (see the last page summary of the annual report data) and to obtain information on how the Department of Natural Resources utilizes the approximately $1.3 million provided to that agency (shown in both the annual report and the 2003 fee summary).

The ***ACCP Cost Breakdown*** document was provided by ACM staff to the committee at their November 2, 2001 meeting.

The ***DNR Agrichemical Revenues and Expenditures*** was produced and presented by DNR at the committee's November meeting. DNR explained that they do not specifically track agrichemical costs, but used staff estimates and available data sources to derive their report. The ACM/ACCP Fee Advisory Committee asked DNR numerous questions and DNR agreed to provide additional information. No response has yet been provided on the remedial and waste programs and a partial response was received from the water programs on January 29, 2002.

ACCP Cost Breakdown

In Fiscal Year 2000/2001 the Agricultural Chemical Cleanup Program operational cost was $1,300,000. Based on a request from the ACCP/ACM fee advisory committee, we are providing this breakdown of the total program costs:

Laboratory Analysis: $264,600
This includes samples taken as part of spill responses and to initiate and monitor compliance on long-term remediation cases. In general, DATCP does most analytical work for spills to minimize direct costs incurred by the spiller.

Case Management and Field Oversight: $658,600 Salary & Fringe
$196,700 Supplies and Services
This includes case oversight provided for spill response and long-term remediation cases (those that are not an immediate spill response). For spills, DATCP staff typically perform both the regulatory and consulting roles, since hiring a consultant for immediate response and sampling on such small incidents is both inconvenient and costly. For facility investigations, DATCP staff assure consultants prescribe and conduct necessary but not excessive investigative work to save subsequent reimbursement costs. The pollution prevention project that began in 2000/2001 is also included in this category.

Reimbursement Claim Review: $138,100 Salary & Fringe
$ 42,000 Supplies and Services
This is for review of reimbursment claims, including ACCP council presentations and any informal or formal hearings on denied costs.

The closest comparison to the private sector counterparts of these services would be to look at the rates charged by the consultants on these same projects. We pulled cost estimates for seven ongoing projects by seven different consultants involved in our program. Consultants typically bill travel expenses and field supplies separately from the hourly overhead. Other supply costs, such as building rent, office supplies and computer services would be included in a consultant's overhead.

Including all supply and service costs (except sample analysis) as part of an hourly overhead yields the following DATCP rates:
Reimbursement: $43.85/hr including all non-lab overhead expenses
Remediation: $44.44/hr including all non-lab overhead expenses

The private consulting hourly rates for these seven consulting firms range from:
$35-50 for clerical services
$45-65 for field technicians
$55-80 for scientist/hydrogeologists, engineers
$75-95 senior scientists and project managers
$95 for principals (only 1 of seven billed these hours on that phase)
The average hourly rate for the seven cost estimates reviewed was $69.95/hr, including only office overhead.

Department of Natural Resources

Agrichemical Revenues and Expenditures

Environmental Management Fund Revenues

- Pesticide and Fertilizer Fees were established by 1983 Wisconsin Act 410—(The Groundwater Bill) to be deposited into the Environmental Management Fund. These fees totaled about $1.3 million during the 2000-01 fiscal year.
- This represents less than 7% of the revenue to the Environmental Management Account.

DNR Agrichemical Expenditures

Categories	Work Elements	Expenditure Detail	Estimated Annual Costs
Bureau of Remediation and Redevelopment			
1. Agrichemical Site Clean Up Costs	$5.8 million has been for 28 sites primarily contaminated with agricultural chemicals. Based on $, this is 16.5%; Based on sites, this is 40%. Annually, DNR spends approximately $3.0 million on site work. Assuming 16.5% of this is for sites with agricultural chemicals, gives $495,000 annually spent on agricultural clean ups. **Sites include:**		$495,000
	• Pentawood (2000-present)	$775,000, plus over $5 million in federal funds	
	• Door County Pesticide Mixing Sites (1989-1996)	$500,000	
	• Weisenburger Tie & Lumber (1989-present)	$2 million, with more to come	
	• Dwyer Fire (1990-present)	$1.7 million, with more to come	
	• Doberstein, Taylor County (1999-present)	$150,000 plus Brownfields Grant, also from EF	
	• Kewaunee Marsh Spill (1996-present)	$100,000, with more to come	
	• Adams County Spill Hazardous Waste Disposal (approx 1994-95)	$500,000	
2. Site cleanup staff costs	9 FTE work on state funded clean ups doing site work & contract coordination. 16.5% = 1.5 FTE. Assuming approximately $75,000 for salaries, fringe, support and overhead, gives $110,000 annually		$110,000

Categories	Work Elements	Expenditure Detail	Estimated Annual Costs
3. Agrichemical Spill cleanup costs	In 2000, 835 spills were reported. Of these, 51 involved agricultural chemicals. Of the 51, 20 were transferred to DATCP, leaving 31 (or 4%) as DNR's responsibility for spill cleanup. On an annual basis, approximately $750,000 is expended for spill response and related waste disposal. 4% of this is $30,000.		$30,000
4. Spill site staff response costs	RR spills time is 5.0 FTE; LE first response time is 15 FTE. 4% of 20 FTE = .8 FTE @ approximately $75,000/FTE = $60,000		$60,000
5. Co-contamination sites staffing costs	RR staff estimate 3%-6% of their time is on sites where agricultural chemicals are present. Responsible party is involved. The higher percentage includes some site work already addressed in (2) above. RR workplans site work as follows: Hazardous Waste 5.0 Superfund 5.0 LUST 12.0 DOT 5.0 ERP 10.0 Sediments 1.0 Total 38 FTE of site work 3% of 38 FTE = 1.1 FTE @$75,000/FTE = 85,000		85,000
6. Brownfields Grants from Commerce	Brownfields redevelopment grants from the Environmental Fund are administered by the Department of Commerce. In 1999, Commerce funded a grant for a wood treating facility in Taylor County, for at least $150,000.		

Bureau of Waste Management

7. Landfill Contamination	In a survey of WM Specialists, they believed that pesticides and agri-chemicals are somewhat of a concern at landfill sites. Time spent by WM staff mainly based on: • First response, follow-up calls to spills • Spill-related soil ends up at landfill • Attention to old, not lined landfills, leaking to groundwater • Participation in Clean Sweep Program • Assessment Monitoring for Pesticides • 1% of time of 112 WM Staff, equals approximately 1 FTE at $75,000		$75,000
Bureau of Drinking Water and Groundwater			
8. Pesticide and Fertilizer related staff duties for bureau staff funded from the Environmental Mgt Acct.	• Work with public water systems to ensure that pesticide & nitrate monitoring is conducted; interpret sample results; conduct vulnerability assessments. • Sample private wells for pesticides and nitrates; provide assistance to private well owners with wells contaminated with pesticides or nitrates. • Manage data on pesticides and nitrates in groundwater through the DNR's Groundwater Retrieval Network (GRN). • Manage geographic data related to potential pesticide and nitrate contamination sources for statewide geographical information systems (GIS) mapping. • Provide guidance and analysis of groundwater contamination related to pesticides and nitrates and identify areas for best management practice implementation. • Atrazine 800 phone number—atrazine data collection effort.	13 FTE each contributing approx. 1/3rd of their time with associated supply costs.	$290,000
9. Well Compensation Grants	Well Compensation Grant awards for as much as 75% of a replacement water system (well, pump, etc.) if the water from the existing well contains a pesticide or pesticides with a concentration exceeding any groundwater standards.	20 grants annually averaging $6,000 each.	$120,000
10. Management Practice Monitoring Contracts	Management Practice Monitoring Contracts with a direct link to pesticides and nitrates.	$245,500 over the past 6 years.	$41,000
DNR Totals			$1,306,000
Dept. of Health & Family Services- funded through DNR by statute			
11. Division of Health	Development of groundwater standards related to pesticides and fertilizers.		$345,100

At the AB 800 hearing before the Assembly Committee on Agriculture, DNR explained that agrichemical revenues were initiated with the Groundwater Law in 1984 and were not designed to specifically match the actual costs of managing individual contaminants.

Also at the AB 800 hearing, DATCP explained that the total revenues provided to DNR have increased significantly since 1985. The ***Agrichemical Revenues to DNR*** document provides DATCP's records of agrichemical fees transferred to DNR from 1985 to present.

The ACM/ACCP Fee Advisory Committee expressed its belief that DNR should provide a reasonable degree of accountability on the overall agrichemical funds now provided to DNR (of which the Groundwater Law fees are a portion). That view was again presented by industry members of the Fee Advisory Committee at the AB 800 hearing.

Both DATCP and the ACM/ACCP Fee Advisory Committee recognized that DNR continues to provided some agrichemical services even after the substantial transfers of authority and service provision from DNR to DATCP as presented at the AB 800 hearing. The ***Agrichemical Funding of DNR—How Things Have Changes*** identifies those changes. The ***Analysis of DNR Fee Utilization*** was prepared by DATCP in order to provide DATCP's assessment of DNR's ongoing agrichemical costs. The document parallels DNR's summary table presented at the November meeting (previously referenced and attached). Both DATCP and its advisory committee supported maintenance of DNR fees at a level that matches the long-term projected agrichemical costs of DNR.

Agrichemical Revenues to DNR

Year	Pesticide to Groundwater	Pesticide to Env. Repair Repair	Fertilizer to Groundwater	Total
1985	$306,000		~$160,000	$466,000
1986	$303,000		~$150,000	$453,000
1987	$307,000		~$150,000	$457,000
1988	$471,000	$388,000	~$140,000	$999,000
1989	$499,000	$412,000	~$130,000	$1,050,000
1990	$514,000	$439,000	~$130,000	$1,083,000
1991	$556,000	$438,000	~$130,000	$1,124,000
	Combined Pesticide Transfers			
1992	$936,000		~$140,000	$1,076,000
1993	$1,039,000		~$110,000	$1,149,000
1994	$799,000 (reduced upon creation of ACCP)		~$150,000	$949,000
1995	$873,000		~$130,000	$1,003,000
1996	$901,000		~$130,000	$1,031,000
1997	$947,000		$124,000	$1,071,000
1998	$1,138,000		$141,000	$1,279,000
1999	$1,147,000		$142,000	$1,289,000
2000	$1,173,000		$135,000	$1,308,000
2001	$1,174,000		$135,000	$1,309,000

Agrichemical Funding of DNR
How Things Have Changed

Agrichemical industry fees collected by DATCP first began funding activities of DNR in the early 1980s. Those funds were designated for environmental repair and groundwater protection efforts carried out by DNR. Since that time funding transferred to DNR has increased, while agrichemical related responsibilities of DNR have decreased significantly or transferred to DATCP.

- In 1984, DNR was responsible for promulgating groundwater standards for those compounds that were known or suspected of being found in Wisconsin groundwater. Nearly 30 groundwater standards were developed for pesticides in the following years. That work has decreased substantially. Only 13 standards have been revised or adopted in the past nine years, and none have changed or been added in the past four years (although two changes and one addition are pending).
- In 1984 DNR played a major role in monitoring groundwater to identify the degree and extent of pesticide contamination on a statewide level. Since 1990, DATCP has been the primary agency for monitoring pesticides in groundwater and manages data related to pesticide contamination findings. DNR continues to provide limited funding for groundwater monitoring efforts, including pesticides, but their own role in sample collection and analysis for pesticides has largely vanished and DATCP has assumed responsibility for identifying data needs and study design.
- In 1984, DNR was the sole repository for information on contaminants in groundwater. While they continue to serve as the lead agency for the GRN database, DATCP serves as the primary auditor of pesticide detections in groundwater, both for completeness and data quality. DATCP is also the sole agency assessing the cause of contamination when pesticides are detected in groundwater.
- In 1984, DNR was solely responsible for response to agrichemical spills. Since the early 1990s DATCP has played an increasing role in spill response, and since 1994 DNR staff have simply forwarded the initial contact information to DATCP. DATCP conducts essentially all on-site investigations and sampling and makes final closeout decisions.
- In 1984, DNR was solely responsible for responding to incidents of pesticide contamination caused by improper pesticide handling practices. By 1990, DATCP had a joint role in facility response, and in 1994 the lead role was formally transferred to DATCP. DATCP is currently the lead and only agency managing all but a handful of historic cases.
- Following the 1994 transfer of the lead role for most contamination cases, DNR agreed to continue its lead on lead arsenate sites. In the past year, DNR has asked DATCP to assume the lead role on this remaining class of cases, including some of those cases where DNR had conducted an initial cleanup response.

Analysis of DNR Fee Utilization

This analysis parallels a listing of agrichemical activities that DNR provided to our agrichemical fee advisory committee.

Agrichemical Site Cleanups

DNR reports spending $5.8 million on pesticide cleanups, with half this cost related to wood preserving facilities. While neither the Weisenburger or Penta Wood sites are closed, these clearly represent the worst of the worst for Wisconsin wood preserving also involving the contaminants of highest concern. Most other wood preserving sites involving contaminants of high concern are viable businesses that have been rectifying their problems on their own, in cooperation with DNR, DATCP or both agencies. Most, if not all, wood preservers have been closely scrutinized at this point, so we have no reason to assume the cleanup costs of the past ten years would continue in the future for wood preserving sites. Wood preservers are the only sites known to have contamination problems that were specifically excluded by statute from ACCP reimbursement and were left in DNR control because of their unique waste disposal issues. The creosote and penta wood preservative manufacturers would continue paying a special surcharge to DNR.

Combined, the Door County and Kewaunee Marsh cases involve contamination occurring at 35 sites from 40 to more than 60 years ago. (DNR's analysis only cited the 28 sites, where remedial actions occurred, but they had investigated 34 sites in the Door County study. DATCP has requested records of the specific actions at each of these 34 sites, but DNR has been unable to locate their documentation.) DNR's recent decision to transfer lead arsenate responsibilities to DATCP, combined with DATCP's lead aresenate strategy should eliminate DNR expenditures, (except at sites owned by DNR, such as the Kewaunee Marsh).

We recognize DNR has incurred substantial costs on some non-wood preserving sites, particularly in the Dwyer example sited by DNR. All parties agree that this case was atypical of contamination cases encountered in Wisconsin. DATCP also contests that DNR's expenses were unusually high because of certain case management decisions including the decision to employ an experimental technology for water treatment. DATCP was not afforded input into these decisions. While other cases have experienced a comparable scope and impact from contamination, no DATCP managed case has incurred even half the cost of this site. Given both the improved communications between the agencies and the ACCP reimbursement options now available, we would not expect future expenditures by DNR anywhere near this magnitude.

DNR's environmental repair analysis does not reference cost recovery attempts or successes. It also bases the annual estimate on an assumed use of $3 million per year while their report demonstrates actual expenditures averaged only $2.2 million ($5.8 million in agrichemical work since 1985 would be 16.5% of $35 million, for a total of

$2.2 million per year). Their calculation should reflect average agrichemical expenditures of only $362,500 per year. DATCP believes with its increased roles, availability of ACCP funding, fewer "bad cases" on the horizon and DNR's commitment to coordinate state expenditures, future expenditures for these program purposes should be substantially less.
DATCP estimates future item 1 costs to DNR of: $150,000

DNR's staff estimate for this program utilizes this same 16.5% figure from above, yet its approach of using case numbers to reflect workload presents a bias because of the nature of the Door County project. The 34 sites involved in the Door County study were managed as a single project, comparable to the multiple locations on a single site for other projects. DATCP believes a more appropriate analysis would consider actual hours per project (which were apparently not tracked) or ongoing workload. A more detailed workload analysis would likely support only 0.5 FTE (1000 hours per year) for ongoing plus future projected pesticide cases. This is based on DATCP's knowledge of matters in which DNR is involved, and both a presumption and belief that DNR has communicated all such cases with DATCP.
DATCP estimates ongoing and future item 2 costs to DNR of: $37,500

DNR reported they had managed 31 of 51 spills cases reported in 2000, while transferring the remaining 20 to DATCP. A listing of these cases was requested at and following our November meeting, but has not been received to date. DATCP's annual report identifies 55 spill cases were reported to and managed by DATCP. DATCP is not aware of a single agrichemical spill that was not transferred to and closed by DATCP. Furthermore, DNR used these 31 "un-transferred" cases to estimate the percentage of cleanup and disposal costs associated with agricultural chemical spills. DATCP is unaware of any agrichemical spills in recent years where DNR needed to utilize their spill response supplies or equipment or a zone contractor to remedy a pesticide spill, other than the Adams County Spill attributed to Environmental repair expenditures.. We would concur that DNR may use such funds in some years, but the method use to derive the $30,000 annual allotment is unsupported. The track record over the past several years demonstrates that DATCP is able to work cooperatively and rapidly with the facilities, such that DNR should rarely encounter any expense.
DATCP estimates ongoing and future item 3 costs to DNR of: $5,000

Likewise, DNR staffing related to agrichemical spills is disproportionate. As both agencies' records reflect, most agrichemical spills are reported to DNR and in small percentage of cases, a warden will conduct a field visit. DATCP, however, actively managed each of the spill cases in which it was involved, conducted one or more field visits at each site, collected samples at most such sites, corresponded with the facility and closed all these cases. Both agencies concur that DATCP's spill follow-up is far more comprehensive than that done by DNR for most of the non-pesticide spills that are reported to DNR. Yet DNR's total spills staffing estimate of 20 FTE suggests an average time of more than 50 hours per spill (even on those where DATCP records indicate DATCP managed the cases). DATCP's tracks actual hours for spill response, case management and closeout. Our records demonstrate DATCP spends only 30 hours per

spill. We recommend DNR use this data to evaluate what portion of law enforcement time should be charged to the Environmental Fund vs. conservation programs and other warden functions. We believe the data does not support DNR expending more than 0.1 FTE on agrichemical spills (200 hours per year or 4 hours per spill to record the caller information, fax the information to DATCP or talk to DATCP, and to visit those sites where DNR believes their on-site presence is needed, in addition to the DATCP investigator).
DATCP estimates ongoing and future item 4 costs to DNR of: $7,500

DNR based its co-contaminated site staff costs on an undocumented staff estimated percentage of assigned FTE. All parties agree that DATCP and DNR effectively coordinate responses on co-contaminated sites. DATCP case managers were able to identify less than five ongoing projects that are co-contaminated where the agencies have coordinated work sometime in the past few years. These cases represent less than 2.5% of DATCP's caseload of more than 200 active sites, and only a fraction of one percent of DNR's much large caseload. Case managers in both agencies would concur that in these few cases the non-lead agency supplies written comments on the contaminants for which they are responsible and the lead agency merely reviews and incorporates these comments into their response. DATCP estimates the limited coordination efforts need for these few cases represent less than 0.1 FTE (200 hours per year) in agrichemical work being done by DNR.
DATCP estimates ongoing and future item 5 costs to DNR of: $7,500

DNR referenced a brownsfield grant of $150,000 for the Doberstein site. There presentation was not clear on whether this is the same $150,000 mentioned under item 1. DNR did not mention another brownfield pilot site where DNR expended an estimated $25,000 in federal funds. While no specific costs were assigned, DATCP is aware of numerous abandoned agrichemical facilities that may utilize brownfield funds in the future. DATCP has not played a role in the Doberstein case because DNR has maintained a lead role on this wood preserving site, but we would expect significant technical involvement in work at most agrichemical brownfields. DATCP believes some costs should be allocated for future agrichemical brownfield grants or other work associated with pesticides at brownfields. DNR had not included and estimate for this item.
DATCP estimate for item 6 costs to DNR of: $30,000

The landfill contamination estimates are based on undocumented staff estimates of pesticide issues at landfills. DATCP has not been told of any landfills where DNR has identified pesticides a chemical of concern, but acknowledges such a situation may exist. Not mentioned by DNR's report are the ongoing work projects within DATCP which do, on occasion, raise waste issues that DNR waste management staff do address. These issues are only periodic and not substantial. DATCP believes it is aware of most situations where pesticides are an issue, and that these situations in total represent far less than the 1 FTE estimate. Combined waste management issues related to pesticides of which DATCP is aware may range from 200 to 1,000 DNR hours per year (0.5 FTE).
DATCP estimates ongoing and future item 7 costs to DNR of: $37,500

Groundwater related agrichemical work at DNR may also be over-estimated in DNR's analysis, based on DATCP records. DNR's original estimate assumed that 1/3 of their 13 water supply FTE's efforts may be spent on pesticide contaminants. The analysis is not further explained, nor is it consistent with the $290,000 per year calculation cited.

- While pesticides are contaminants in some public water systems, DNR spends far greater efforts on assuring systems function safely from other contaminants, such as bacteria, arsenic, etc. Pesticides have only been found in a minority of these public water systems and are present above standards in only a few systems.
- DNR conducts only minimal private well sampling related to agrichemicals, estimated at less than 50 samples per year. Overall we know that DNR collects far fewer private well samples than 15 years ago, but DATCP does not know what percent of the recent sampling may be pesticide related.
- DNR's GRN system does contain pesticide data, but that data is not sufficiently edited for data quality. As the primary agency responsible for responding to pesticide detections in groundwater, DATCP must rely on its own data quality control and data management system in which each pesticide data point has been fully reviewed, and each site with significant detections has been fully investigated regarding potential cause.
- DNR has established a GIS database for potential contaminant sources but this system was just created and does not, to DATCP's knowledge contain information on any pesticide contamination cases.
- Neither DATCP or Syngenta (the manufacturer of atrazine) were aware of the 800 number for atrazine. DNR agreed to provide further information on this system, but if those persons involved in atrazine production and regulation are unfamiliar with the service, then one must question how effectively the service is being employed.

DATCP estimates ongoing and future item 8 costs to DNR of: $100,000

The annual estimate of well compensation grants provided by DNR is not based on actual grant awards over the recent years. DATCP's investigations have been identifying less than five wells per year that are contaminated over standards by pesticides. Since the well compensation program only provides grants for low-income privately owned properties, only some of those sites would be eligible. DATCP also conducts follow-ups at these locations and knows many of these wells with detections over a standard have not been replaced. DATCP estimates only one to two wells contaminated with pesticides are replaced under the well compensation program each year. DNR agreed to provide a more complete analysis of actual pesticide related costs. DNR also concurred that this category does not include nitrate contamination, since the fund has not covered such well replacements

DATCP estimates ongoing and future item 9 costs to DNR of: $12,000

DATCP can confirm DNR expends funds for agrichemical research issues. Some projects are directly and solely for agrichemical projects, others have broader benefits. Without added research we cannot confirm whether the totals stated reflect only the agrichemical portions of projects, but this assumptions is made.

DATCP estimate of item 10 costs to DNR of: $41,000

DNR stated they could not confirm which portion of the Division of Health costs for standards development and related consultation are associated with pesticides. No new or revised pesticide standards have been developed for several years, but the department believes DHFS will continue work reviewing existing standards and developing new standards. Of 120 total standards, 30 (25%) are for pesticides, with only 13 of these standards (11%) having been revised or established in the past nine years. While standards now exist for the most commonly used and detected pesticides, DATCP believes it is reasonable to assume a continuing pesticide standards caseload equal to 20% of the DHFS appropriation. DNR had not included an estimate for this item.
DATCP estimates ongoing and future item 11 costs to DNR of: $69,000

Unmentioned by DNR in their analysis was dollars supplied by household pesticide manufacturers for urban clean sweeps. Fees collected by DATCP and transferred to DNR for urban clean sweeps total approximately $160,000. DNR's statutory spending authority for urban clean sweep grants is only $150,000. Furthermore, DNR has been utilizing a reserve of pesticide overcharge funds obtained in a DOJ settlement. DATCP data suggests that pesticides represent only 10% of urban clean sweep waste collections, while the primary waste stream is paint products. Setting the DOJ settlement funds aside, DATCP believes an appropriate allocation of agrichemical funds for urban clean sweeps to be 10 percent of DNR's grant budget.
DATCP estimate for pesticide related urban sweep costs paid by DNR: $15,000

Total Justified Environmental Fund Expenditures: $511,000
DATCP believes this provides a generous assessment of all fertilizer and pesticide related costs incurred by DNR or that pass through the environmental fund. The preliminary estimate provided by DNR relies on staff estimates that are not supported by time records, expenditure records, project descriptions or assessments of trends. DATCP believes those preliminary estimates to be unreliable and inflated.

Wisconsin Department of Administration
Division of Executive Budget and Finance
DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **01-4442/1**	Introduction Number **AB-800**

Subject

Changes concerning the agricultural chemical cleanup fund and the Agrichemical management fund

Fiscal Effect

State:

☐ No State Fiscal Effect
☐ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☒ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
- ☐ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate
1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected
☐ Towns ☐ Village ☐ Cities ☐ Counties ☐ Others ☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☒ SEG ☐ SEGS

Affected Ch. 20 Appropriations

20.115 (4)(q), (7)(r), (7)(v)

Agency/Prepared By	Authorized Signature	Date
DATCP/ Paul Morrison (608) 224-4512	Barb Knapp (608) 224-4746	2/12/02

Fiscal Estimate Narratives
DATCP 2/13/02

LRB Number **01-4442/1**	Introduction Number **AB-800**	Estimate Type **Original**
Subject		
Changes concerning the agricultural chemical cleanup fund and the Agrichemical management fund		

Assumptions Used in Arriving at Fiscal Estimate

This bill would provide additional revenues to the Agrichemical Management Fund via four mechanisms. First, the bill would increase feed tonnage fees effective January 2003, providing an estimated $150,000 in annual revenues beginning in February 2004. Second, the bill would increase one-time permit fees for certain low analysis fertilizers, providing an estimated $9,000 per year beginning upon passage of this bill. Third, the bill would provide added Agrichemical Management Fund revenues by decreasing the amount of pesticide fees that are currently transfered to the Environmental Fund by an estimated $775,000, effective in December, 2003. And finally, this bill would increase fertilizer tonnage fees effective July 2006, providing an estimated $195,000 in annual revenues beginning in August, 2007.

This bill will also provide additional rulemaking authority th DATCP that will allow the Department to increase fertilizer tonnage surcharges by as much as $0.50 per ton, as needed to maintain a balance in the Agricultural Chemical Cleanup Fund of not more than $3 million. It will also change the system for pesticide fee collection in a manner that allows more timely collection of pesticide fees by the pesticide manufacturers and distributors.

Long-Range Fiscal Implications

Combined with other action of the Department of Agriculture, Trade and Consumer Protection, this bill is expected to enable the agency to maintain positive balances in the Agrichemical Management Fund and the Agricultural Chemical Cleanup Fund. Without this bill and related actions by DATCP, the agency anticipates that these funds will remain in deficit by FY 2003/2004.

Wisconsin Department of Administration
Division of Executive Budget and Finance
DOA-2047 (R07/2000)

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **01-4442/1**	Introduction Number **AB-800**

Subject

Changes concerning the agricultural chemical cleanup fund and the Agrichemical management fund

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

II. Annualized Costs:	**Annualized Fiscal Impact on funds from:**	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$	
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	$	$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
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		
SEG/SEG-S	354,000	
TOTAL State Revenues	**$354,000**	$

NET ANNUALIZED FISCAL IMPACT

	State	Local
NET CHANGE IN COSTS	$	$
NET CHANGE IN REVENUE	$354,000	$

Agency/Prepared By	**Authorized Signature**	**Date**
DATCP/ Paul Morrison (608) 224-4512	Barb Knapp (608) 224-4746	2/12/02