

Fiscal Estimate - 2015 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-0531/1	Introduction Number AB-0104	
Description Establishing a nanotechnology information hub and a nanotechnology council		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

UWS 4/3/2015

LRB Number	15-0531/1	Introduction Number	AB-0104	Estimate Type	Original
Description Establishing a nanotechnology information hub and a nanotechnology council					

Assumptions Used in Arriving at Fiscal Estimate

2015 AB 104 is substantially equivalent to 2013 AB 474. The fiscal estimate prepared for 2013 AB 474 continues to be relevant and is copied for this bill.

The fiscal impact of this bill on the University of Wisconsin System is estimated to be approximately \$2.3 million over the five years of required funding. The following document explains the assumptions used to arrive at the estimate.

The bill requires the University of Wisconsin System Board of Regents to maintain a nanotechnology information hub in the UW-Extension for at least five years. The nanotechnology information hub will be directed by a new nanotechnology council.

The proposed legislation outlines numerous goals for the nanotechnology information hub. For the purpose of this analysis, the goals are grouped into four sections.

1. Promote the development of nanotechnology businesses.

- Facilitate the sharing of specialized equipment and skills related to nanotechnology.
- Arrange for periodic events to bring together people interested in nanotechnology.
- Establish an interactive Internet platform for receiving and disseminating information on nanotechnology.
- Inform businesses that are involved in nanotechnology or that use nanoscale materials in products about business development assistance programs.
- Inform interested parties about opportunities for federal, state, or other funding for nanotechnology research or other programs related to nanotechnology.

2. Gather and disseminate information about environmental health and workplace safety related to nanotechnology

- Monitor, compile, and disseminate emerging scientific research on nanoscale material uses, benefits, and risks.
- Help businesses to identify and access resources to help them to comply with rules and regulations related to nanotechnology, implement best practices for handling nanoscale materials to protect worker safety, and otherwise minimize the risks associated with the use of nanoscale materials in products.
- Monitor and provide information on new and proposed state rules and federal regulations related to nanotechnology.
- Inform emergency response personnel about the safe handling of nanoscale materials in emergency situations.

3. Public Outreach

- Inform the public and businesses that are involved in nanotechnology about postsecondary education programs that prepare workers for careers related to nanotechnology.
- Inform the public about the benefits and risks of specific types of nanoscale materials and products containing nanoscale materials.
- Collect information voluntarily provided by public and private sector entities in this state about the types and amounts of nanoscale materials being handled or manufactured and the locations of these activities.
- Undertake other educational and public outreach activities related to nanotechnology.
- Report to the appropriate standing committees of the legislature on emerging nanotechnology health and safety information and, at the direction of the nanotechnology council, identify needed legislation relating to nanotechnology safety and development.

4. Grant Funding

- The nanotechnology information hub shall seek and compete for federal, state, or other funding to make grants through UW-Extension for research and development related to nanotechnology.

- The nanotechnology council shall meet at least twice every year and shall set policies and priorities for the nanotechnology information hub and make grants through UW-Extension for research and development related to nanotechnology
- The nanotechnology council shall develop and implement plans for the nanotechnology information hub to sustain its own funding.

The Board of Regents is required to provide adequate staff to support the four objectives listed above. As required by the bill, the staff provided must have technical experience with nanoscale materials and knowledge about the occupational and environmental effects of nanoscale materials.

The Board of Regents has not developed any plans to establish the nanotechnology information hub. However, for the purpose of this fiscal estimate, it is assumed that four individuals in the following roles would be needed to address each of the four responsibility areas detailed above: 1) A business development specialist, 2) health and safety engineer, 3) a public outreach coordinator, and 4) a grant writer. Again, these designations are created solely for the purpose of providing an estimate and do not reflect any deliberations by the Board of Regents.

The following outlines expected salaries for these positions based on available data.

1. Business Development Specialist. According to Indeed.com, a small business development outreach program manager could expect an annual salary of \$68,000. This position is not entirely equivalent to a business development specialist, but it is used as a proxy. For comparison, the current director of the Chippewa Valley Technical College Applied Technology Center, formerly the NanoRite Innovation Center, has a reported salary of \$69,079.

2. Health and Safety Engineer. A health and safety engineer would have a median pay of \$75,430 per year according to the Occupational Outlook Handbook, which is published by the Bureau of Labor Statistics (BLS).

3. Public Outreach Coordinator. As a proxy, BLS data for social and community service managers will be used for the public outreach coordinator position. Individuals employed in this occupation for the state government have a mean wage of \$66,980. Those in scientific research and development services make \$82,520. An average of the two annual salaries, \$74,750, is used for this purpose. This is likely a high estimate as Arizona State University recently posted a position announcement for a communications program coordinator in its Center for Nanotechnology in Society with a salary range of \$30,508 to \$45,000.

4. Grant Writer. Indeed.com indicates that grant writers have an average salary of about \$48,000. The Bureau of Labor Statistics places the average wage for a technical writer in the engineering industry at \$66,550. Because of the technical nature of nanotechnology, the \$66,550 estimate will be used. The salaries for the potential nanotechnology information hub staff members total \$284,730.

The fringe benefit costs are estimated by multiplying the annual salaries by 39.61 percent, which is the 2013-15 fringe benefit rate for permanent and project employees. This results in a fringe benefit expense of \$112,782.

In addition, \$50,000 in supplies and expenses is estimated to support the nanotechnology council and nanotechnology information hub. The estimate is based on the following assumptions:

- For the purpose of this estimate, the two biannual meetings of the nanotechnology council required by the legislation are assumed to last two days each. The 15 members of the nanotechnology council and the four nanotechnology information hub staff members are expected to attend (19 participants total). Based on the \$38 per diem for meals over each of two days, the meal cost for 19 participants is \$1,444. For the 19 participants, lodging for two nights at the state rate of \$70 results in a total lodging costs of \$2,660. Additionally, it is assumed that participants traveled 100 miles to the conference, 200 miles both ways, at a reimbursable rate of \$.51 per mile. Vehicle travel for the 19 participants would then be estimated at \$1,938. Totalling all of the meeting costs results in a charge of \$6,042 per meeting, or \$12,084 for both required meetings.
- The estimate assumes that three of the nanotechnology information hub staff members will attend conferences twice during the year to remain current on technical and regulatory developments, which is six meetings total. Assuming that conference travel and participation costs \$3,000, meeting expenses would cost \$18,000.
- Public outreach and periodic events for nanotechnology, as required by statute, are assumed to cost \$15,000 per year.
- The required website and nanotechnology tracking database are estimated to cost \$5,000 for

development and maintenance.

- Miscellaneous equipment expenses, office expenses, and travel are estimated at \$20,000.

Based on these assumptions, the annual total to support the nanotechnology information hub in the first year is \$447,512. Over five years of required support, assuming an annual salary increase of two percent, the total rises to \$2,318,666.

The provided estimate is based on the stated assumptions. These assumptions are created solely to provide analytical context and are not based on discussions by the Board of Regents. However, the estimate does serve to quantify the possible fiscal impact of the proposed legislation based on one possible implementation scenario.

Long-Range Fiscal Implications

The proposed legislation indicates that the nanotechnology information hub is expected to be self supporting in five years. At this point, the Board of Regents would no longer be required to support the nanotechnology information hub.