

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/94)

Subject
 Department review of applications for certain permits, licenses, approvals and determinations.

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. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Government Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> School Districts <input type="checkbox"/> Others |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL - This bill requires that the DNR complete its review of applications for certain licenses, permits, approvals or determinations and take action on the application within a specified time or the application is considered approved. The bill requires the Department to establish a time limit to complete its review of applications seeking authorization of specified activities, or seeking certain determinations that may affect a proposed activity. The following activities are affected by this bill:

- Wis. Stat. s. 30.10 - Navigability or ordinary high water mark determinations
- Wis. Stat. s.30.12 - Structures and deposits in navigable waters
- Wis. Stat. s.30.123 - Bridge construction and maintenance
- Wis. Stat. s.30.18 - Diversion of water from lakes and streams
- Wis. Stat. s.30.19 - Grading, ponds and other artificial waterways
- Wis. Stat. s.30.20 - Dredging
- Wis. Adm. Rule NR 110 - Sewerage Systems; wastewater treatment facility plan approval; wastewater treatment construction plan and spec. approval
- Wis. Adm. Rule NR 103 -Water quality certification for wetland fill
- Wis. Stat. s.281.17(1) High capacity wells
- Wis. Stat. s.283.33 Stormwater discharge permits

FISCAL IMPACT: The Department expects that, were this bill to become law, its costs will increase by a total of \$1,155,400 and 23.89 FTE annually (11.0 FTE and \$488,400 for waterway and wetland decisions, 2.1 FTE and \$116,600 for wastewater facility and discharge decisions, 1.99 FTE and \$115,500 for high capacity well decisions, and 8.80 FTE and \$434,900 for stormwater decisions). The additional FTE and related costs are due primarily to the fact that this bill increases the workload associated with tracking and documenting the various decision-making processes and complying with the bill's public notice provisions.

The fiscal analysis is organized as follows:

1. Cumulative cost to administer the proposed presumptive approval process
2. Assumptions, time and cost calculations for waterway and wetland decisions
3. Assumptions, time and cost calculations for wastewater facility and discharge decisions
4. Assumptions, time and cost calculations for high capacity well approvals
5. Assumptions, time and cost calculations for stormwater discharge permits

Long-Range Fiscal Implications

None.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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FISCAL ESTIMATE

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Assumptions Used in Arriving at Fiscal Estimate

ASSUMPTIONS, TIME, AND COST CALCULATIONS FOR WATERWAY & WETLAND DECISIONS

Assumptions

1. 21 existing FTEs process 75% of permits in 90 days or less
2. Assume 2800 permit applications per year
3. Based on field staff estimates, assume 3200 jurisdictional determinations (i.e. navigability and ordinary high water mark determinations).
3. Current unit permit decision times for the 2800 annual permit applications are:

Simple permit - (30% or 840) - 3 hours

Normal permit - (45% or 1260) - 9 hours

Complex permit - (25% or 700) - 25 hours

4. Activities necessary to process permits under this bill's presumptive approval proposal result in unit times as follows. Increased times are due to the necessity under a presumptive approval process to accurately track and document the precise "start" and "stop" times for each step in the decision-making process (e.g. log-in, completeness review, jurisdictional determinations, field investigations, consultations and negotiations, habitat assessments, public notice provisions, extension reviews, etc).

Simple - 3.4 - or 0.4 additional hours

Normal - 14 - or 5.0 additional hours

Complex - 35 - or 10.0 additional hours

4. Assume each jurisdictional determination requires the average of 10.5 hours-or 2.0 hours greater than the current average of 8.5 hours.

5. To calculate the impact of setting the deadline for all decisions at 90 days, assume that of the 700 permits with processing times longer than 90 days, 25% are normal, and 75% are complex.

Time calculations

The calculation below is the sum of increases in processing times multiplied by the number of each type of decision over one year, divided by the number of hours worked per year by an FTE.

$$[0.4 \text{ hours (840 Simple Permits)} + 5 \text{ hours (1260 Normal Permits)} + 10 \text{ hours (700 Complex Permits)} + 2 \text{ hours (3200 jurisdictional determinations)}] = 20,036 \text{ hours} / 1820 \text{ hours} = 11.0 \text{ FTE.}]$$

The above time calculation assumes no increase in processing time. Currently, 75% of waterway and wetland permit applications are processed within 90 days. Of the approximately 700 permits with processing times longer than 90 days, it is assumed that 25% of the permits are "normal" and 75% are "complex". Due to the difficulty and contentiousness involving some of these remaining permits, it may take the Department up to 365 days to fully process them.

The Department assumes that decreasing permit processing times to the point that all permits are processed within 90 days would require additional FTE. The Department assumes that the 700 permits would require 20,825 total hours to process $[(700 \times 25\% \times 14 \text{ hours}) + (700 \times 75\% \times 35 \text{ hours})]$, and that the permits are 25% processed at the end of the 90 day period. The following additional time and FTE calculation indicates that the Department would need an additional 8.5 FTE (for a total of $11.0 + 8.5 = 19.5$ FTE) to process all waterway and wetland decisions within 90 days.

$$[20,285 \text{ hours} \times 75\% = 15,619 \text{ hours} / 1820 \text{ hours} = 8.5 \text{ FTE.}]$$

These estimates reflect only the estimated time needed to speed permit decision making. No records are available on the current response time for jurisdictional determinations that do not result in formal applications, so calculating increased response time is not possible.

Cost Calculations

11.0 additional water regulation and zoning specialist FTE are needed to track, document and negotiate the requirements of the presumptive approval system with no change in decision times (that is, permit or decision approval times may extend to 365 days) at a cost of \$488,400.

$$[\$13.282 \times 2080 \text{ hr} \times 37.60\% \text{ (fringe)} + \$6400 \text{ (supplies \& services)} = \$44,400 \text{ (11.0 FTE)} = \$488,400.]$$

Shortening the deadline for all decisions on permit applications to 90 days would require an additional 8.5 FTE at an annual cost of \$378,300 $[\$44,400 \text{ (8.5 FTE)} = \$378,300]$. That is, setting permit and decision approval times @ 90 days would require an additional $(11.0 + 8.5 = 19.5 \text{ FTE})$. These additional 8.5 FTE and their salary-related costs are not included in the totals for this fiscal note, but are listed as an example of the additional FTE that would be needed to compress all waterway and wetland permit decision times to 90 days.

Additionally, because waterway and wetland permitting is in part program revenue fee funded, this bill may necessitate a fee increase.

ASSUMPTIONS, TIME AND COST CALCULATIONS FOR WASTEWATER FACILITY & DISCHARGE DECISIONS

Assumptions

1. 1,250 approvals issued per year (75 facility plans and 1,175 construction plans)
2. Additional review necessary to assess if submittals are "complete" or should be returned: 0.5 hours per project by a program assistant.
3. Plan review engineer (Wastewater Engineer) would write public notice in order to ensure project description is correct: 0.5 hours per project
6. Additional processing of public notices: 0.5 hours per project by program assistant
7. Public notices would be issued for 1,175 projects that are not currently noticed. Assume 0.5% result in Ch. 227 challenges (6 cases). Professional (Wastewater Engineer) staff time per challenge: 200 hours.

FISCAL ESTIMATE

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Assumptions Used in Arriving at Fiscal Estimate

Time calculations

- Completeness reviews: $0.5 \text{ hr.} \times 1,250 \text{ projects} = 625 \text{ hr.}$ (Program assistant)
- Public Notices: $0.5 \text{ hr.} \times 1,250 \text{ projects} = 625 \text{ hr.}$ (Program assistant) & $0.5 \text{ hr.} \times 1,250 \text{ projects} = 625 \text{ hr.}$ (Wastewater Engr.)
- Legal Challenges: $0.005 \times 1,175 \times 200 \text{ hrs.} = 1,200 \text{ hrs.}$ (Wastewater Engr) & $0.005 \times 1,175 \times 120 \text{ hrs.} = 720 \text{ hrs.}$ (Attorney)
- Contract programming; 200 hours

Program Assistant: $1250 \text{ (1 hour)} = 1250 \text{ hours}$ (or $1250/1820 = 0.7 \text{ FTE}$).

Wastewater Engineer: $[1250 \times (.5 \text{ hour})] + [6 \text{ (200 hours)}] = 1825 \text{ hours}$ (or $1825/1820 = 1.0 \text{ FTE}$).

Attorney: $720 \text{ hours}/1820 \text{ hours} = 0.40 \text{ FTE}$

Cost calculations:

The additional annual cost to administer AB 602's presumptive approval provisions for wastewater facility and discharge decisions is \$116,600 and 2.1 FTE (0.7 Prog. Asst., 1.0 Wastewater Engr., and 0.40 attorney), detailed as follows:

Prog. Asst. ($1250 \text{ hrs}/1820 \text{ hrs} = .7 \text{ FTE}$): $\$9.437/\text{hr} \times 37.60\% \text{ fringe} \times 2080 \text{ hours.} \times .7 \text{ FTE} + \$4,500 \text{ Suppl. \& Srvcs} = \$23,400.$

Wastewater Engineer ($1825 \text{ hrs}/1820 \text{ hrs} = 1.0 \text{ FTE}$): $\$15.032 \times 37.60\% \text{ fringe} \times 2080 \text{ hrs} \times 1 \text{ FTE} + \$6400 \text{ Suppl. \& Srvcs.} = \$49,400.$

Attorney $\$36.00/\text{hr} \times 37.60\% \text{ fringe} \times 2080 \text{ hours} \times .40 \text{ FTE} + \$2600 \text{ Suppl. \& Srvcs} = \$43,800$

ASSUMPTIONS, TIME & COST CALCULATIONS FOR HIGH CAPACITY WELL DECISIONS

Assumptions

1. 250 applications per year
2. 2% (or 5 decisions) are appealed each year (i.e. challenged pursuant to Ch. 227, stats.).

Time calculations

Log Application (data entry)	0.2 hr. (Prog. Asst.)
Application consultations	2.0 hr. (Water Supply Engr.)
Application Completeness Review (variable based on complexity)	1.0 hr. (Water Supply Engr.)
Generate and Mail Notification of Receipt And Required Public Notice	0.8 hr. (Prog. Asst.)
Receive and Log Response that Public Notice was Published (Class 1, Ch. 985 Stats.)	0.2 hr. (Prog. Asst.)

Number of Applications per Year	~250
Total Estimated Hours per Year @ Program Asst. salary ($1.2 \text{ hr} \times 250$)	~300 hrs.
Total Estimated Hours per Year @ Water Supply Engr. salary ($3.0 \text{ hr.} \times 250$)	~750 hrs.
Ch. 227 challenges (see below)	~2600 hrs.

(A Ch. 227 challenge as a response to a Public Notice required under AB 602 would initiate a standard hearing process. Based on past drinking water and groundwater enforcement cases that have gone to contested case hearing, the Department assumes that such challenges would require substantial staff time in defense of the Department decision. The Department assumes that each project involving a Ch. 227 challenge will demand an average of 520 hours of staff time ($400 \text{ hours of water supply engineer staff time.} \times 5 \text{ projects} = 2000 \text{ hours}$) + ($120 \text{ hours of DNR legal services time} \times 5 \text{ projects} = 600 \text{ hours}$).

Cost calculations

Due primarily to this bill's public notice requirements, the Department expects substantially increased processing times and increased annual costs totaling **\$115,500** and 1.99 FTE (1.50 water supply engineer positions; 0.16 program assistant; and 0.33 attorney).

Program Asst. ($300 \text{ hrs}/1820 \text{ hrs} = 0.16 \text{ FTE}$): $\$9.437/\text{hr} \times 37.60\% \text{ fringe} \times 2080 \text{ hours} \times .16 \text{ FTE} + \$1000 \text{ supplies} = \$5,300.$

Water Supply Engineer ($2750 \text{ hrs}/1820 \text{ hrs} = 1.50 \text{ FTE}$) $\$15.032 \times 37.60\% \text{ fringe} \times 2080 \text{ hours} \times 1.5 \text{ FTE} + \$9,600 \text{ supplies} = \$74,100.$

Attorney $\$36.00 \times 37.60\% \text{ fringe} \times 2080 \text{ hours} \times .33 \text{ FTE} + \$2100 = 36,100$

One-Time Costs

The Department also expects to incur a one-time cost related to developing a database to automate the application logging and notification process. This will enable the Department to more efficiently track the "start" and "stop" times for application review and public notice provisions. The Department assumes that developing such a tracking system that is compatible with the existing high capacity well database will require approximately 300 hours of contracted computer programming @ \$75 per hour, for a total one-time cost of \$22,500.

FISCAL ESTIMATE
DOA-2048 (NCR10/94)

ASSUMPTIONS, TIME & COST CALCULATIONS FOR STORMWATER DECISIONS

Assumptions

1. Assume a deadline of 12 months for municipal stormwater decisions after submittal of a substantially complete application.
2. Assume a deadline of 90 days for industrial stormwater decisions under this bill's presumptive approval provisions.
3. Assume twenty municipal applications per year.
4. Assume 7 municipal permit applications per year are received from co-permittees currently requiring 400 hours of staff time to complete; assume 10 municipal permit applications per year are from small municipalities currently requiring 1400 hours of staff time to complete over a maximum of 16 months; assume the remaining 3 annual permit applications are received from large municipalities requiring 4000 hours to complete over a maximum of 24 months.
5. Assume 600 industrial applications per year.
6. Assume Industrial permits are either specific (5% -- or 30 permits) or general (95% or 570 permits) and that 50% of general permit applications (or 285 permits) require a site visit.
7. Assume general permit applications without a site visit currently require 1 to 8 hours of staff time; general permits with a site visit currently require 1 to 16 hours of staff time; and specific permits currently require 100 to 500 hours of staff time.
8. Work will be done by entry level water resource engineer positions.

Time Calculations

This bill will require that the Department devote additional time to documenting the processes of logging in and tracking permit applications, assessing them for completeness, reviewing permit extensions, and negotiating with permit applicants.

Municipal Permits

These activities are expected to add: 20 additional hours to municipal permit application processing for permit applications from co-permittees; 30 additional hours to municipal permit applications from small municipalities; and 40 additional hours to permit applications from large municipalities. The total additional staff time necessary to process municipal permits under this bill is estimated to be:

$$20 \text{ hours (7 permits)} + 30 \text{ hours (10 permits)} + 40 \text{ hours (3 permits)} = 560 \text{ hours}$$

Additionally, moving the deadline for municipal stormwater permit application decisions to 12 months (from a maximum of 16 months for small municipality permit applications and a maximum of 24 months for large municipality permit applications) will increase the workload as follows:

$$400 \text{ hours (10 small mun. permits)} + 2000 \text{ hours (3 lg. mun. permits)} = 10,000 \text{ hours}$$

Total increased hours for municipal permits = 10,560 hours/1820 hours = 5.8 FTE

Industrial Permits

These activities are expected to add 2 hours to the average time for processing general permit applications that do not require site visits, 4 hours to the average processing time for processing general permit applications that do require site visits, and 125 hours to the average processing time for specific permit applications. The total additional staff time necessary to process industrial permits under this bill is estimated to be:

$$2 \text{ hours (285 gen. permits)} + 4 \text{ hours (285 permits)} + 125 \text{ hours (30 specific permits)} = 5460 \text{ hours.}$$
$$\text{Total increased hours for industrial permits} = 5460 \text{ hours}/1820 \text{ hours} = 3.0 \text{ FTE}$$

Cost calculations

8.8 FTE are required to administer presumptive approval for stormwater decisions within 12 months at an annual cost of \$15.032/hr x 37.60% fringe x 2080 hr x 8.8 FTE + \$56,300 supp. & srvc = \$434,900. Additionally, because the Department's stormwater management program is in part program revenue fee funded, this bill may necessitate a fee increase.

One-Time Costs:

The Department also expects to incur a one-time cost related to upgrading the stormwater permit database to automate the application logging, review, and tracking process. The Department assumes that developing such a tracking system that is compatible with the existing stormwater database will require approximately 500 hours of contracted computer programming @ \$75 per hour, for a total one-time cost of \$37,500.

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.
AB 602, 99-3582/1	

Subject
Department review of applications for certain permits, licenses, approvals and determinations.

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

\$60,000 related to database upgrades for the high capacity well program database and the stormwater program database.

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$1,155,400	
(FTE Position Changes)	23.89	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$1,155,400	
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues:	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
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	\$1,155,400	\$0
NET CHANGE IN REVENUES		\$0

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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