

FISCAL ESTIMATE

ORIGINAL UPDATED

DOA-2048 N(R10/94)

CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.

LRB-2461/1

(SB 86)

Amendment No. if Applicable

Subject PECFA

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
- Decrease Existing Appropriation
- Create New Appropriation
- 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

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

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

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
- Counties Others _____
- School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

APP. 143 (V) & (W)

Assumptions Used in Arriving at Fiscal Estimate

In determining that no fiscal impact occurs from this bill, the following assumptions have been utilized:

1. The department is asked to develop additional record keeping systems on dollars expended in remediations but not yet claimed, consulting firm activity and the costs associated with consultant and commodity services under PECFA. The current budget bill provides funding for the IT activities associated with this work. If the budget bill is passed with this funding in place, additional funding would not be needed as long as the department is allowed reasonable flexibility in the determination of the level of detail and the exact data elements that will be collected in order to meet the requirements of the statute.
2. The revenue funding included in the bill currently does not contain a provision that specifies the timeline or the rate at which the additional funding will be available. When this is ultimately determined, there may be an impact on the agency. If funding is made available in large blocks so that payments can be dramatically increased or if a goal is set for reviewing and paying out all claims filed with the agency within a short period of time, this would impact the agency. Based upon the ultimate goals the agency is provided, impacts could occur within claim processing, check processing and in the handling of claim appeals (approximately 15-18% of claims generates some type of appeal). These potential impacts can only be judged in the context of a funding timeline and a set of goals on backlog reduction.

(continued on page two)

Long-Range Fiscal Implications

Not determined at this time.

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Date

3/24/99

3. The department of administration will be responsible for the management of the revenue generation and repayment process that will provide the \$450,000,000 in funding for claim payment.
4. The process changes detailed in the bill will be able to be accomplished by a shifting of program emphasis in work processes. The system changes suggested in the bill focus primarily on the technical/hydrogeologic side of the PECFA program and efforts will be made to emphasize the work processes in the bill and reduce work time associated with other program areas. Final impact of the changes, however, can only be gauged after actual implementation of the work systems in order to know the impact of changes like the prioritization of sites (for starting dates) will have on the total workload of the program.

1999 Session

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DOA-2048 N(R10/94)**

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Subject
PECFA

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

NA

II. Annualized Costs:	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringe	\$	\$ -
(FTE Position Changes)	(FTE)	(FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ NA	\$ -NA
State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	NA	-NA
I. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$NA	\$ -NA

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ NA	\$NA
NET CHANGE IN REVENUES	\$NA	\$NA

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