

Fiscal Estimate Narratives
DNR 5/24/01

LRB Number 01-0557/2	Introduction Number AB-375	Estimate Type Original
Subject		
Registry of bonded loggers		

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: This bill is intended to provide landowner's considering a timber harvest, with a reference list of bonded logging contractors. Only those logging contractors having performance bonds or other security would be included on the list. The bill provides for the list to be public record whereby a landowner could access the list to select a professional logger who would conduct the harvest in a satisfactory manner.

Fiscal Estimate: This bill would increase workload and costs for the DNR Division of Forestry. Labor to maintain the list is estimated at 1040 hours for a Limited Term Employee (LTE). The annual cost of the employee with support is estimated at \$21,284. The workload would primarily involve the physical entering and deleting of entries in the list and handling phone / mail inquires.

Startup costs would involve purchase of computer and development of a software program in which to compile and maintain the list. DNR Computer Support estimates this would be a contracted project involving 200 hours of time at \$60/hour = \$12,000. Cost of computer (\$3500) and staff time to develop rules & procedures (100 hours @ \$24/Hr. + 39.47% fringe) \$3348. Total one-time startup costs of \$18,848.

Long range fiscal impacts are primarily for maintaining the ongoing program and upgrading computer soft-and hardware. However, the intent of the bill appears to be not only to give landowners a list to work from but also to encourage loggers to get bonded. Increases in the number of sales which have bonds would lead to increased entries and staff time in the future.

Estimated number of timber sales sold annually in Wisconsin: 10,256*
(County Forest-734, State Forest-73, Other State & Public 35, Federal-54, Industrial-390, Private-8970)

Estimated number of Sales which currently have bonds (does not include advance stumpage payments) - 3300**
(County-100%, State & Public-100%, Federal-100%, Industrial-50%, Private -10% of the 82% sold without Forester, 70% of the 18% sold with Forester)

Cost of DNR Time -Staff (1040 hours***) @ \$17.22/Hr. (\$16 + 7.65% fringe) - \$17,909
Annual Support (computer,phone,postage, etc.) - \$ 2,500
Computer replacement & software upgrade (\$3500/4 yrs.) - \$ 875
ESTIMATED ANNUAL DNR FISCAL IMPACT: - \$ 21,284

*Number of sales derived from 3 yr. average on State & Public sales, 10 yr. average of sales set up by DNR & Cooperating Forester and an assumption that only 18% of all harvests on NIPF land use a forester, 1 year total for Federal land, Estimate of Industrial sales based on acreage (roughly 1.25 million acres) to be harvested at same rate as Public land.

**Estimates of sales with performance bonds based on informal poll of field and office staff and knowledge that all County, State and Federal sales do have bonds required.

*** DNR time estimated based on 3300 changes annually @ 15 minutes/change = 825 hours
Mailings, phone, printing,etc. = 215 hours

Long-Range Fiscal Implications

This bill would create an on-going workload. Costs would increase or decrease based on annual salary changes for involved personnel. Increases in the numbers of bonded logging contractors could lead to added work load / costs in the future. Upgrades to computer and software would be added costs every 4 yr

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
\$18,848 = Cost of Computer program development, computer, staff to develop rules & procedures -- Impact to State only			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$17,909	
	(FTE Position Changes)		
	State Operations - Other Costs	3,375	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$21,284	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S	21,284	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
	NET CHANGE IN COSTS	\$21,284	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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