

### Fiscal Estimate - 2001 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>01-1045/1</b>	<b>Introduction Number</b> <b>AB-479</b>
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**Subject**  
 Environmental improvement program

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		

**Local:**

<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	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
<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	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 5/16/01
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## Fiscal Estimate Narratives

DNR 8/20/01

LRB Number	<b>01-1045/1</b>	Introduction Number	<b>AB-479</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Environmental improvement program					

### Assumptions Used in Arriving at Fiscal Estimate

#### Bill Summary:

The legislation provides for the submission of reports that may disclose violations of environmental regulations. Facilities choosing to file the reports would provide notice to the agency and verification would be done to determine whether the organization met the basic eligibility requirements set in the bill. The information contained in the actual reports submitted to DNR would be reviewed to verify that compliance issues were properly addressed. The DNR would have the responsibility for approving the compliance schedules and taking actions specified in the law if the compliance schedule did not meet the criteria specified in the law.

**Fiscal Estimate:** The law sets administrative requirements that will require staffing for the DNR to discharge its duties under the law. It is estimated that .5 FTE position in Cooperative Environmental Assistance would be required to establish the program and on an ongoing basis address the eligibility criteria for facilities expressing intent to file reports, review reports submitted and to execute the provisions of the law when public notice and negotiation are required for compliance schedules. Eligibility determinations would entail a review to verify that there are no existing state violations, contact with local government units to verify no violations at the local level and conformance to environmental management system provisions for those facilities using that portion of the law. Upon submission, environmental performance evaluations would be reviewed for conformance to reporting provisions contained in the law and adherence to compliance schedule provisions when violations are detected. In those instances where non-conforming schedules are detected or adjustments need to be made to compliance schedules, staff time for public notice, public comment and negotiations would be required.

The best available data appears to be information from Michigan for 1998-99 that shows 554 facilities using a program similar to the one proposed in this bill. For purposes of compiling this estimate, 550 facilities was used as the baseline. Each facility submitting intent would have to be reviewed for eligibility. An overall average of one-half hour was used. Those facilities requiring a simple check for violations might be nominally less and those facilities for which a review of the environmental management system is needed, that amount of time would be nominally more. An estimate of 500 reports received was used (estimating about 10% would not file or may be ruled out for eligibility reasons). Approximately 1 hour was allocated for the review of the reports, questions directed to the facilities to clarify information sent, and verification with specialized regulatory staff on compliance questions. Only 50 hours has been allotted for public notice and negotiations. Actual experience in Michigan and other states shows that only 1 to 2 cases would be expected each year to require public notice or negotiation of schedules beyond 90 days. Base requirements for the program would include responding to general inquiries, adapting to legal and other changes and general administration of the program, and estimated at approximately 125 hours.

The work time would be as follows:

Base requirements = 125 hours

Review of eligibility 550 facilities 30 minutes = 250 hours

Review of reports 500 facilities 1 hour = 500 hours

Public notice and negotiation 2 facilities 50 hours = 100 hours

Total = 975 hours = .5 FTE

It is assumed the .5 FTE position in Cooperative Environmental Assistance will be a sector specialist position that will need \$7,500 for starting supplies and services and \$36,200 in ongoing costs.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 01-1045/1	<b>Introduction Number</b> AB-479	
<b>Subject</b>		
Environmental improvement program		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
\$7,500		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$29,000	
(FTE Position Changes)	(0.5 FTE)	
State Operations - Other Costs	7,200	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$36,200</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	36,200	
FED		
PRO/PRS		
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$36,200	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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