

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number **03-3300/2** Introduction Number **AB-700**

Subject
 Environmental results program

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

Increase Existing Appropriations Increase Existing Revenues Increase Costs - May be possible to absorb within agency's budget
 Decrease Existing Appropriations Decrease Existing Revenues Yes No
 Create New Appropriations Decrease Costs

Local:

No Local Government Costs
 Indeterminate

1. Increase Costs 3. Increase Revenue
 Permissive Mandatory Permissive Mandatory

2. Decrease Costs 4. Decrease Revenue
 Permissive Mandatory Permissive Mandatory

5. Types of Local Government Units Affected

Towns Village Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

Agency/Prepared By DNR/ Joe Polasek (608) 266-2794	Authorized Signature Joe Polasek (608) 266-2794	Date 12/11/2003
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Fiscal Estimate Narratives
DNR 12/11/2003

LRB Number	03-3300/2	Introduction Number	AB-700	Estimate Type	Original
Subject					
Environmental results program					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary: The legislation provides a new program to be administered by the DNR. The Environmental Results program provides a policy framework for public and private entities to improve their environmental performance and pursue regulatory flexibility as specified under tier 1 and tier 2 of the bill. To participate in tier 1 an applicant must satisfy the requirements in the bill, have implemented or committed to implement an environmental management system and establish a commitment to superior environmental performance. To participate in tier 2 an applicant must satisfy the requirements in the bill, have an environmental management system and demonstrate that it has a record of superior environmental performance and describe the measures that it proposes to take to maintain and improve its superior environmental performance. The bill establishes the elements and performance standards for an environmental management system. An environmental management system is a set of procedures designed to manage the environmental risk and make continual environmental improvements in operations.

Fiscal Estimate: The law only sets administrative requirements for DNR staff to implement the law. As a result, it is estimated that less than 1.0 FTE would be reallocated to initiate implementation. Work would only be done on the environmental results program as staffing allows. The legislation provides that the Department may limit participation based on the availability of staff to meet program requirements. Language providing appropriations for staffing, funding to build Non-Government Organization (NGO) capacity and business capacity for Environmental Management Systems (EMS) and reviewers for compliance audits was specifically excluded from the legislation. Non-state funding will be pursued and implementation will be commensurate with funding obtained.

The original estimate for full implementation of the Environmental Results program was 5.0 FTE and \$150,000 annually for grant funds for capacity development. Assumptions are based on the data obtained from developing agreements for the Environmental Cooperation Pilot Program. That data was normalized to account for replication of the provisions that were developed in the initial agreements. This bill was specifically written so that participation could be limited based on the availability of resources. Wisconsin will pursue funding from non-state sources for the costs associated with implementation of the environmental results portion of the bill. These funds will be pursued consistent with the intent of the legislation to encourage environmental management systems, increase public involvement, increase support for engagement by NGO's and develop legal and procedural templates that will reduce transaction costs. A specific funding strategy will be developed in conjunction with the LaFollette School in order to accomplish the research fundamental to meeting evaluation expectations associated with the sunset provisions in the bill. Efforts will be made to secure both federal and foundation funding for specific implementation projects as well as the evaluation. Specific funding from foundations has been identified and grant application work is being done pending passage of the legislation. Work has already begun with potential program participants and third party evaluators to underwrite portions of the cost for provisions contained in the bill.

Long-Range Fiscal Implications

Non-state funding will be used to fund 5.0 FTE to run the program and grants in the future.

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
Environmental results program			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
Reallocation of less than 1.0 FTE at the DNR to start the program.			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
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	\$	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	12/11/2003