

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4043/1	Introduction Number AB-0977	
Description Eliminating the Office of the Commissioner of Railroads and transferring the office's duties to the Department of Transportation, the Department of Financial Institutions, and the Division of Hearings and Appeals in the Department of Administration, funding of railroad and water carrier regulation, and making an appropriation		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <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 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		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.155(2)(g), 20.395(2)(gg)		
Agency/Prepared By	Authorized Signature	Date
RRC/ Elizabeth Piliouras (608) 266-0276	Doug Wood (608) 266-9536	4/30/2010

Fiscal Estimate Narratives

RRC 4/30/2010

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Assumptions Used in Arriving at Fiscal Estimate

The Office of the Commissioner of Railroads employs four (4) full-time, classified positions (including one attorney, one regulatory specialist, one safety analyst and one office operations associate); one (1) full-time unclassified position for the commissioner; and one (1) full-time unclassified project position for an agency liaison. The entire budget for salary, benefits and administration of the Office is paid from an assessment on railroads and water carriers operating in Wisconsin.

The Office of the Commissioner of Railroads is a quasi-judicial agency subject to judicial review under ch. 227. The current six full-time employees perform executive, administrative, judicial, regulatory, investigative, human resources, accounting, technical support and office support duties. All staff in the office perform multiple functions and have a cumulative 72 years of experience in railroad laws and regulation.

LRB 4043/1 deletes the position of the commissioner of railroads on July 1, 2011. LRB 4043/1 also transfers one program assistant position and three regulation compliance investigator positions to the DOT. Assuming that the bill intends to delete the unclassified positions, this would reduce the salary lines by \$209,073, including wages and benefits. Under s.195.60, railroads are assessed charges based on office expenses. If the bill intends to reduce appropriations, regardless that the appropriation does not affect the general fund, then the assessment against the railroads and water carriers would decrease by a similar amount.

If the agency budget is reduced by the commissioner and attorney positions, the railroads would be assessed \$264,041 less.

Based on the office's FY2010 budget, the salary reduction would give DOT \$360,828/\$305,860 from non-general fund program revenue to pay for the administrative, judicial, regulatory, investigative, human resources, accounting, technical and office support expenses of an agency. The DOT will also be responsible for paying DOA – Hearings and Appeals for its judicial services.

Additional costs will likely arise from judicial appeals from local governments and railroads and water carriers claiming that the DOT does not qualify as an impartial investigator, regulator and judge on railroad issues, especially since the DOT owns railroad property. DOT has an explicit conflict of interest in judicial proceedings as the owner of railroad property and a common party to the case. This will likely cause a heavy reliance on DOA – Hearings and Appeals staff to provide impartial judgment, as well as additional training in railroad law.

The office currently does not charge application or handling fees to applicants such as local governments. The office is small and able to provide case by case services to local governments. Absorbing the office functions into DOT and DOA, in regards to the local view of it, would likely create additional paperwork and work for local governments trying to find their way around the system.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$	\$-209,073	
(FTE Position Changes)		(-2.0 FTE)	
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category	\$	\$-209,073	
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS (RR & WC regulation)		-209,073	
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 (20.155(2)(g))			-209,073
SEG/SEG-S			
TOTAL State Revenues	\$	\$-209,073	
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$-209,073	\$
NET CHANGE IN REVENUE		\$-209,073	\$
Agency/Prepared By			
RRC/ Elizabeth Piliouras (608) 266-0276		Authorized Signature	
		Doug Wood (608) 266-9536	
		Date	
		4/30/2010	