



**Fiscal Estimate Narratives**  
**DATCP 4/16/2010**

LRB Number	<b>09-4264/1</b>	Introduction Number	<b>SB-632</b>	Estimate Type	<b>Original</b>
<b>Description</b>					
control of nonpoint source water pollution in certain areas with carbonate bedrock and granting rule-making authority.					

**Assumptions Used in Arriving at Fiscal Estimate**

The bill requires DATCP to revise rules associated with nutrient management, siting and cost-share eligibility and develop rules with DNR to delineate carbonate bedrock areas and best management practices for implementation in carbonate bedrock areas. DATCP staff will be required to provide additional support to the Land and Water Conservation Board (LWCB) for their work to review DNR/DATCP rules, landowner petitions to contest area determinations, and individual county ordinances developed to implement the bill. The bill also requires DATCP staff to provide GIS mapping and webpage development and maintenance services for carbonate bedrock areas as well as technical assistance to county land conservation departments for ordinance development. DATCP staff will serve on the newly-created advisory committee to create the best management practices to be included in rules.

The bill will result in both one-time and on-going costs associated with rule making, LWCB support, and technical assistance for rule implementation. A summary of these costs are below.

Summary of Costs:

One-time Costs

Rule Making - \$81,780 over 2 years

On-Going Costs

LWCB Support - \$40,890/year

LWCB Costs - \$9,150/year

Technical Assistance - \$160,971/year

Total Ongoing Costs = \$211,011

A detailed description of the costs associated with this bill are specified below.

Rule Making:

One-time Costs: 2 years @ \$40,890 = \$81,780

Rule making will include changes to ATCP 50 nutrient management rules to be consistent with decisions by advisory board, ATCP 51 siting rules to be consistent with decisions by advisory board, and ATCP 50 cost-share eligibility rules.

DATCP Staff EARS 0.5 FTE Salary (@\$22.026/hour = \$22,907/year), Fringe Benefits (46.86% = \$10,734), Travel (\$500/year), Supplies and Services (\$7,000/year) = \$40,890/year for 2 years = \$81,780

Staff Support to the LWCB: Ongoing costs= \$40,890/year

Tasks for LWRB and support staff will include review of carbonate bedrock determinations @ 10/year, review of county ordinances @ 3/year, and review of landowner petitions/contested decisions made by LCD/DNR @ 20/year. Support staff (0.75 FTE), supplies and travel expenses will be required to administer these aspects of the LWRB activities: Salary (0.75 FTE @ \$22.026/hour = \$34,360), Fringe Benefits (46.86% = \$16,101), Travel (\$500/year), Supplies and Services (\$7,000/year)= Total \$57,961

LWCB Direct Support Costs: Ongoing Costs = \$9,150/year

Per diem/travel/meal costs for additional LWCB meetings = \$2,000/meeting @ 3 meetings/year = \$6,000/year; Subcommittee meetings = \$350/meeting @ 9 meetings/year = \$3,150; Total = \$9,150/year

Technical Assistance:

Total Technical Assistance Ongoing Costs: \$40,890 + \$39,141 + \$80,940 = \$160,971/year

GIS Mapping and website development and maintenance: Ongoing Costs = \$40,890

EARS 0.5 FTE @ \$22.026/hour = \$22,907/year), Fringe Benefits (46.86% = \$10,734), Travel (\$250/year), Supplies and Services (\$7,000/year)= Total \$40,890

Development of model ordinances: Ongoing Costs = \$39,141

DATCP Staff Salary (0.5 FTE @ \$22.026/hour = \$22,907/year), Fringe Benefits (46.86% = \$10,734), Travel (\$500/year), Supplies and Services (\$5,000/year)= Total \$39,141

Technical assistance to counties: Ongoing Costs = \$43,299 + \$37,641 = \$80,940

Agricultural Engineer Salary (0.5FTE @ \$24.421/hour = \$25,398), Fringe Benefits (46.86% = \$11,901), Travel (\$1,000/year), Supplies and Services (\$5,000/year), Total = \$43,299

Soil Scientist (EARS 0.5 FTE Salary @ \$22.026/hour = \$22,907), Fringe Benefits (46.86% = \$10,734), Travel (\$500/year), Supplies and Services (\$3,500/year), Total= \$37,641

Total Ongoing Costs:

Land & Water Board Support Staff + Land & Water Board Direct Costs + DATCP Technical Assistance Staff = \$40,890 + \$9,150 + \$160,971 = \$211,011

Total One-time Costs: 2 years @ \$40,890 = \$81,780

### Long-Range Fiscal Implications

The proposed legislation will require livestock producers to adopt practices to mitigate contamination of groundwater. The practices are not specified in the bill, nor is the scope of the required practices known. In short, it is unclear what farmers will be required to do. While DNR will have citation authority to compel compliance in high vulnerability areas within the five affected counties, cost-sharing of the required practices is not prohibited. These long-range costs are not required by the bill, however the state may determine that cost-share payment for implementation of practices is needed.

If cost-sharing would be provided to affected farmers to accelerate adoption of needed practices, the following costs have been estimated, along with the assumptions used in the estimates. It is assumed that manure storage systems will be needed to allow producers to avoid winter spreading (an assumed required practice). It is further assumed that all farms in the five identified counties will need nutrient management plans, since most farms in the affected counties would have at least some karst features needed protection.

Estimated cost-share implications for needed practices in counties identified as having Carbonate Bedrock Areas.

Manure Storage Needs:

Counties with Carbonate Bedrock Areas  
# Dairy Herds # w/Storage  
(PATS 2006) (70% of herds)

Brown 223 156  
Door 89 62  
Calumet 184 123  
Manitowoc 301 211  
Kewaunee 220 154

Totals 1,017 705

Assuming, over the next 10 years, that 25% of existing manure storage systems will need replacement or upgrades, then 156 manure storage systems could be eligible for cost-sharing. Additionally, of the estimated 312 (1,017 minus 705) dairy herds without manure storage, it is assumed that 33% of that number (102) would need a new storage system to meet the legislative requirements over the next 10 years. If \$100,000 was provided for each storage system, as NRCS provides through EQIP, then \$26 million would be needed over a 10 year period (258 units X \$100,000), or \$2.6 million annually.

Nutrient Management Plan (NMP) Needs:

Counties with

Carbonate Bedrock Crop acres Crop acres  
Areas Total Crop acres w/NMP needing NMP  
(NASS 2007) (DATCP 2009) WASS minus DATCP)

Brown	161,000	107,000	54,000
Door	99,000	69,000	30,000
Calumet	128,000	33,000	95,000
Manitowoc	200,000	89,000	111,000
Kewaunee	142,000	93,000	49,000

Totals 730,000 391,000 339,000

Cost-sharing for nutrient management planning on 339,000 acres at the state specified rate of \$28 per acres would cost \$9.5 million. That would be \$950,000 per year over a ten year period.

Total cost for manure and nutrient management, given the broad assumptions used here, would be \$25.5 million, or \$2.55 million per year for 10 years.

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

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<b>Description</b> control of nonpoint source water pollution in certain areas with carbonate bedrock and granting rule-making authority.		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  One-time costs related to rule making amount to \$40,890/year for 2 years, totaling \$81,780.		
<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	\$201,861	\$
(FTE Position Changes)		
State Operations - Other Costs	9,150	
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$211,011</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	211,011	
<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>		
	State	Local
NET CHANGE IN COSTS	\$211,011	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
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