

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1012/1	Introduction Number AB-0008 (JR1)
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Description
 The authority of a state agency to promulgate rules interpreting the provisions of a statute enforced or administered by the agency and to implement or enforce any standard, requirement, or threshold as a term or condition of a license issued by the state agency; gubernatorial approval of proposed administrative rules; economic impact analyses of proposed rules and emergency rules; and venue in a declaratory judgment action seeking judicial review of the validity of an administrative rule and in an action in which the sole defendant is the state

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

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	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	

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 (1) (g)	

Agency/Prepared By PSC/ Anne Olson (608) 267-9086	Authorized Signature Nate Zolik (608) 266-1261	Date 1/31/2011
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Fiscal Estimate Narratives

PSC 1/31/2011

LRB Number 11-1012/1	Introduction Number AB-0008 (JR1)	Estimate Type Original
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Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill 8 proposes changes to the authority of state agencies to promulgate administrative rules, including changes to the supporting documents state agencies must submit with proposed rules for gubernatorial and legislative review, gubernatorial review and approval of administrative rules, and judicial review of the validity of a rule. Regarding these all-encompassing changes, the PSC notes that it can absorb, within existing operations, any new activities associated with promulgating its own rules under the proposed bill.

Increased costs for the PSC are anticipated under the bill's new requirement for all agencies modifying or creating a new rule to assess the impact on public utility ratepayers. Under Assembly Bill 8, all agencies must prepare an economic impact analysis for a proposed rule (with the exception of emergency rules) that includes an analysis of the impact to public utility ratepayers.

Because expertise in determining economic impacts to public utility ratepayers is primarily held by PSC staff, it is anticipated that to comply with the new requirement, many state agencies would contact the PSC for assistance. Currently, the PSC typically does not provide analyses for other state agencies on the potential impact of an administrative rule on public utility ratepayers, and activities associated with responding to requests from other state agencies for such an analysis would be new. Some new activities could be absorbed by current PSC staff. However, some workload would not be possible to absorb and would require new staff.

While the PSC would develop a streamlined procedure for identifying an administrative rule's impact on public utility ratepayers, the proposed legislation's ultimate impact on the PSC will be highly dependent on the volume and nature of rules developed by other agencies. For example, in 2010, 152 rules were submitted to the Legislative Clearinghouse. If this level of rule-making activity is typical, and if most agencies contact the PSC for assistance, then the workload associated with just coordinating the potential number of requests likely could not be absorbed with existing staff. To respond in a timely manner to agencies' requests, the PSC would request a vacant Program and Policy Analyst position be filled. This new staff person would be the primary contact for agencies requesting assistance. Anticipated duties for this new position would be to complete an initial review of a rule to identify the potential effects to public utility ratepayers, refer a rule to PSC staff expert for further analysis as needed, disseminate PSC's procedure for handling requests, maintain information on the status of specific requests, and communicate any potential delays to the requesting agency.

For this fiscal estimate, it is assumed that the expert analysis needed to determine the economic impact to public utility rate payers of an administrative rule from an outside agency would be absorbed by current PSC staff, but if this workload is significant, the PSC may need to reassign staff or add staff in the future to ensure timely completion of these analyses.

If enacted, this bill is estimated to increase annual costs for the Public Service Commission (PSC) by \$65,400 PR. However, these costs would not require additional expenditure authority and would be entirely offset by approximately \$72,700 in revenues from public utilities under s. 196.85 (2), the Remainder Assessment.

The local fiscal estimate is indeterminate. This bill would move judicial review of an administrative rule from Dane County Circuit Court to the circuit court in the county where a party bringing action against a rule

resides or has its principal place of business (if in Wisconsin). The fiscal effect to Dane County and other local governments due to the proposed move is unknown at this time.

Long-Range Fiscal Implications

Again, the proposed legislation's ultimate impact on the PSC will be highly dependent on the volume and nature of rules developed by other agencies. In addition to creating a new position to coordinate and execute this new process, the PSC may need to reassign staff or add staff in the future to ensure timely assistance to other agencies in completing analyses of the economic impact on public utility ratepayers for proposed rules.

Fiscal Estimate Worksheet - 2011 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): None		
II. Annualized Costs:	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$65,400	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$65,400	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	65,400	
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	7,300	
FED		
PRO/PRS	65,400	
SEG/SEG-S		
TOTAL State Revenues	\$72,700	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$65,400	\$
NET CHANGE IN REVENUE	\$72,700	\$
Agency/Prepared By		
Authorized Signature		Date

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1/31/2011