Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2017 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **17-1092/1**	Introduction Number **SB-022**

Description
groundwater management, approval of high capacity wells, and granting rule-making authority

Fiscal Effect

State:

☐ No State Fiscal Effect
☐ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☒ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☒ Increase Costs - May be possible to absorb within agency's budget
  - ☐ Yes ☒ No
- ☐ Decrease Costs

Local:

☒ No Local Government Costs
☐ Indeterminate
1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ 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 20.370 (4)(ar)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DNR 2/15/2017

LRB Number **17-1092/1**	Introduction Number **SB-022**	Estimate Type **Original**
Description groundwater management, approval of high capacity wells, and granting rule-making authority		

Assumptions Used in Arriving at Fiscal Estimate

Groundwater Management Areas - The bill establishes standards and a process for designating areas as groundwater management areas (GMAs). The bill creates a subcommittee of the Groundwater Coordinating Council (GCC) to examine areas of the state that may qualify as GMAs and to recommend to the DNR that a qualifying area be designated as a GMA. The bill authorizes the DNR to promulgate a rule designating the area as a GMA, and also requires DNR to develop and adopt a groundwater management plan for the GMA. The bill also requires DNR to include water conservation requirements in high capacity well approvals issued in GMAs. The bill also requires DNR to review all approvals for high capacity wells in the groundwater management area that were issued prior to the plan and modify the approvals as necessary to ensure consistency with the groundwater management plan.

High Capacity Wells – This bill would require a Wisconsin Environmental Policy Act (WEPA) analysis for the majority of the high capacity well applications the department receives. This bill limits high capacity well approvals to a maximum of ten years and provides staggered expiration dates for existing high capacity well approvals.

Revenue – The bill increases the annual fee from $125 to $250 for water supply systems that have a capacity to withdraw an average of 100,000 gallons per day and extends statewide the additional staggered fee on persons who withdraw more than 50 million gallons per year that currently applies only in the Great Lakes basin.

Fiscal Impact:

Annual Costs: The bill will increase costs to the Department by an estimated $1,927,000 of salary and supplies related expenditures associated with 25.9 FTE.

This estimate of fiscal impact includes costs associated with 1) preparing an Environmental Impact Statement (EIS) for a majority of the high capacity well applications: 2) promulgating an administrative rule for a GMA; 3) developing and adopting a groundwater management plan for a designated GMA; 4) reviewing existing high capacity wells ten years after the previous approval—or upon the expiration date designated in the bill; and 5) reviewing and modifying high capacity well approvals in designated GMAs, including adding water conservation requirements.

1) Preparing an EIS for the majority of the high capacity well applications received by the department. Given that the bill amends s. 281.34 (4) (a) 3, Wis. Stats., to require an environmental review under WEPA for a proposed high capacity well that may have a significant adverse environmental impact on a water of the state, the department assumes that an EIS will be required for 200 high capacity well applications per year. The department estimates that it will take 120 hours of hydrogeologist time annually to complete the EIS on each of 200 applications. (200 applications x 120 hours = 24,000 hours/1800 = 13.3 FTE).

Hydrogeologist ($33.27/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 13.3 FTE = $989,500

2) Promulgating an administrative rule for a GMA – Assuming that it works to designate one GMA per year, the Department estimates that it will annually take 900 hours (or 0.50 FTE) of hydrogeologist time to review, designate, and promulgate an administrative rule for a groundwater management area.

Hydrogeologist ($33.17/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 0.5 FTE = $37,200

3) Development of a groundwater management plan for groundwater management areas – The

Department estimates that it will annually take 900 hours (or 0.5 FTE) of hydrogeologist time to development a groundwater management plan for a groundwater management area.

Hydrogeologist ($33.17/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 0.5 FTE = $37,200

4) Review of existing high capacity wells ten years after previous approval—or upon the expiration date listed in the bill. The Department estimates that it will take 9.4 FTE of hydrogeologist time to review 400 high capacity wells per year, one fourth, or 100 of which, will require that the department prepare an EIS. The Department's time estimate assumes that each review will require an average of 16 hours of hydrogeologist time for those reviews that do not require an EIS (16 hours x 300 = 4,800 hours/1800 = 2.7 FTE), and 120 hours for those reviews that require an EIS (120 hours x 100 applications = 12,000 hours/1800 = 6.7 FTE).

Hydrogeologist ($33.17/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 9.4 FTE = $699,400

5) Review and modification of high capacity well approvals in designated GMAs, including adding water conservation requirements – The Department estimates that it will annually take 20 hours of hydrogeologist time to review and modify 200 high capacity well approvals in designated GMAs, including adding water conservation and efficiency requirements. (20 hours x 200 applications = 4000 hours/1820 = 2.2 FTE.

Hydrogeologist ($33.17/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 2.2 FTE = $163,700

One-Time Costs: The bill will increase costs to the Department by an estimated $7,400 (200 hours of hydrogeologist time) of salary and supplies related expenditures associated with 0.1 FTE. This estimate of fiscal impact includes costs associated with: reporting on the department's efforts to develop an Internet-based system that prospective applicants for the approval of a high capacity well may use to estimate the likely environmental impact of a proposed withdrawal but does not include costs related to development of such a system.

Hydrogeologist ($33.17/hr. salary and fringe) x 2080 hours + $5200 supplies related expenditures = $74,400 x 0.1 FTE = $7,400

Revenue: The Department estimates that this bill will increase revenue by $1,200,000 per year. This estimate includes revenue associated with increasing the annual fee from $125 to $250 for 4,500 water supply systems that have a capacity to withdraw an average of 100,000 gallons per day, and applying statewide the scaled annual fee imposed on those persons who withdraw more than 50,000,000 gallons per year (currently imposed only in the Great Lakes basin.)

Long-Range Fiscal Implications

Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

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Description
groundwater management, approval of high capacity wells, and granting rule-making authority

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

$7,400 associated with reporting on the Department's efforts to develop an Internet-based system that prospective applicants for the approval of a high capacity well may use to estimate the likely environmental impact of a proposed withdrawal but does not include costs related to development of such a system.

II. Annualized Costs:	**Annualized Fiscal Impact on funds from:**	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	$1,792,400	$
(FTE Position Changes)	(25.9 FTE)	
State Operations - Other Costs	134,600	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	**$1,927,000**	**$**
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS	1,927,000	
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, ets.)

	Increased Rev	Decreased Rev
GPR Taxes	$	$
GPR Earned		
FED		
PRO/PRS	1,200,000	
SEG/SEG-S		
TOTAL State Revenues	**$1,200,000**	**$**
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	$1,927,000	$
NET CHANGE IN REVENUE	$1,200,000	$

Agency/Prepared By	**Authorized Signature**	**Date**
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