

Fiscal Estimate - 2021 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-5173/1	Introduction Number AB-0727	
Description creating a commercial nitrogen optimization pilot program, providing crop insurance rebates for cover crops, creating a hydrogeologist position, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, granting rule-making authority, 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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input 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 type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.115(7)(qd), s 20.115(7)(gf)		
Agency/Prepared By DATCP/ Alex Elias (608) 224-6338	Authorized Signature Jason Gherke (608) 224-4748	Date 2/7/2022

Fiscal Estimate Narratives

DATCP 2/7/2022

LRB Number	21-5173/1	Introduction Number	AB-0727	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

Nitrogen Optimization Pilot

This bill requires DATCP to create a nitrogen optimization pilot program of \$1 million annually in 2021-2022 and 2022-2023, under which DATCP awards grants to farmers to implement projects for at least two growing seasons. The objective of the grants is to optimize the application of commercial nitrogen. A farmer/grant applicant must collaborate with a University of Wisconsin System institution to monitor grant projects on-site. The University of Wisconsin System institution may not receive more than 20% of the grant funding. DATCP is required to promulgate emergency rules within 90 days in order to distribute the funds. Based on the maximum grant award of \$50,000 per applicant, this pilot program will fund at least 20 grants in each of the two grant cycles.

Cover Crop Rebates

The bill also provides \$400,000 to DATCP to provide crop insurance rebates for cover crops in 2022-23. The wording "on an acre for which funding is available" from a producer-led watershed protection grant, the soil and water resource management program, the federal Environmental Quality Incentives Program, and the federal Conservation Stewardship Program creates a requirement for DATCP to verify if acreage is eligible for another federal or state program and if funding is available or ask the farmer to self-certify that funding is not available for eligible acres. Additionally, it is likely that most, if not all, farmland acres in Wisconsin are eligible for either a state or federal cover crop payment program of some type, further challenging this eligibility criteria.

With our staff dedicated to working on their existing programs, DATCP will be challenged to meet the requirements to launch the nitrogen optimization program and the cover crop rebate program, as well as providing the invaluable technical support and expertise to assist our farmers in implementing the practices identified by this effort. Additional staff funding to support a position would assist in meeting deadlines, delivering timely and quality service to program participants, and ensuring the best, most efficient and effective use of our state's resources.

Long-Range Fiscal Implications

Long-Range fiscal implications are not identified for these programs due to the funding provided as one-time funding and the characterizing of the nitrogen optimization program as a pilot. Should either of these programs receive authorization and funding in future years, fiscal implications will need to be considered.

Fiscal Estimate Worksheet - 2021 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	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	1,400,000	
TOTAL State Costs by Category	\$1,400,000	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	1,400,000	
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$1,400,000	\$

NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By	Authorized Signature	Date	
DATCP/ Alex Elias (608) 224-6338	Jason Gherke (608) 224-4748	2/7/2022	