

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-4545/1</b>	<b>Introduction Number</b> <b>AB-1055</b>	
<b>Description</b> repealing the dry cleaner environmental response program and creating the revitalize Wisconsin program		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input 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"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <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    20.370 (6)(et); 20.370 (6)(eu)		
<b>Agency/Prepared By</b> DNR/ Paul Neumann (608) 266-0818	<b>Authorized Signature</b> Paul Neumann (608) 266-0818	<b>Date</b> 2/20/2024

## Fiscal Estimate Narratives

DNR 2/20/2024

LRB Number	23-4545/1	Introduction Number	AB-1055	Estimate Type	Original
<b>Description</b> repealing the dry cleaner environmental response program and creating the revitalize Wisconsin program					

### Assumptions Used in Arriving at Fiscal Estimate

The bill has three main components:

1. It repeals the dry cleaner environmental response fund (DERF) and transfers all assets, liabilities, and appropriation structure to the environmental fund.
2. It establishes the Revitalize Wisconsin financial assistance program to award funds and to provide direct services to conduct investigations, remedial actions and other activities at contaminated properties, including those sites that were eligible for assistance under the repealed DERF program.
3. It establishes a financial assistance program to remove waste materials from abandoned properties and to conduct sampling and testing to determine if the properties pose a public health and safety risk.

#### Fiscal Effect

##### I. DERF Repeal

The department would incur minimal one-time costs for finance staff to convert DERF assets, liabilities and appropriations to the environmental fund.

##### II. Revitalize Wisconsin Program

###### A. Assumptions

1. The bill provides \$3 million/yr. of Environmental SEG funding for the program, to be used for grants and services and 5.0 FTE positions to administer the program.
2. The department assumes that the new positions would be classified as Natural Resource Program Coordinators, financial specialists or comparable positions.

###### B. One-Time Implementation Costs

One-time costs to promulgate rules and create program materials (application, guidance, webpage, train staff, etc.) would be significant for approximately 2 years. Tasks would include:

1. Promulgate administrative rules.
2. Develop grant application materials, instructions, application forms, guidance, and reimbursement forms.
3. Develop process for reviewing grant requests and awarding financial assistance.
4. For services conducted with DNR contractors, undergo an RFP process to hire one or more environmental consultants.
5. Prepare outreach materials for the DNR website and other relevant platforms.

These tasks are estimated to result in a one-time workload increase of approximately 1,500 hours with an average salary and fringe cost of \$51/hr, a one-time costs estimate is estimated to be \$76,500. Note that these one-time tasks could be performed with the new positions provided in the bill.

###### C. Ongoing Costs

###### 1. Program Administration

On-going staff workload to administer the program would include the following tasks:

- a. Assistance to applicants
- b. Application review
- c. Eligibility review to determine if applicants meet the definition of "innocent landowner"
- d. Award allocations

- e. Review of grant agreements
- f. Project management and oversight
- g. Expense eligibility review
- h. Fund disbursement

Assuming \$115,000/yr. in salary and fringe benefit costs per position, ongoing administrative costs for 5.0 FTE are estimated to be \$575,000 yr.

## 2. Financial Assistance Payments

After position costs have been deducted, the remaining \$2,425,000/yr. would be designated for paying backlogged DERF claims until all claims are paid, for currently-eligible DERF sites that haven't submitted claims and for services and grants to local governments and private parties.

## III. Abandoned Waste Removal Program

### A. Assumptions

1. The bill does not include any statutory guidelines or provide rulemaking authority to determine eligible grantees or other criteria for this grant program; therefore, it is assumed that the bill could be amended to authorize rulemaking that meets the bill's general intent, or could be amended to include program criteria in lieu of rulemaking authority.
2. The bill provides \$2.5 million of one-time funding in FY 2024, and \$500,000/yr. of ongoing funding for the program.
3. While the bill provides 5.0 FTE to administer the program, the department assumes that 1.5 FTE would be needed.
4. The department assumes that the new positions would be classified as a Waste Management Specialist (0.5 FTE) and a Financial Assistance Specialist (1.0 FTE).

### B. One-Time Implementation Costs

1. Approximately \$116,500 to create program materials (application, guidance, webpage, train staff, etc.). This assumes 2080 hours at \$56/hr. (salary + fringe).
2. Approximately \$48,000 of one-time costs for rulemaking. This assumes 800 hours combined staff time (staff, manager, attorney) at an average \$60/hr (salary + fringe).
3. These one-time tasks, except for those performed by a staff attorney, could be performed with the new positions provided in the bill.

### C. Ongoing Costs

#### 1. Program Administration

The department estimates \$174,800 of ongoing costs to administer the program (outreach and application assistance, application review, grant agreement development and issuance, grant encumbrance, reimbursement review and processing, and reporting), which is based on \$56/hr. for salary and fringe benefits (\$56/hr. x 2080 hrs x 1.5 FTE)

#### 2. Financial Assistance Payments

After one-time position costs have been deducted, \$2,835,500 would remain available for financial assistance in FY 2024 (\$3,000,000-\$116,500-\$48,000). In FY 2025 and in subsequent years, \$325,200 would remain available for financial assistance.

## Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

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<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  One-time implementation costs of \$164,500 for the Abandoned Waste Removal Program One-time financial assistance payments of \$2,335,500 in FY 2024 for the Abandoned Waste Removal Program.		
<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	\$749,800	\$
(FTE Position Changes)	(6.5 FTE)	
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	2,750,200	
<b>TOTAL State Costs by Category</b>	<b>\$3,500,000</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	3,500,000	
<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>		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$3,500,000	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b> <b>Authorized Signature</b> <b>Date</b>		
DNR/ Paul Neumann (608) 266-0818	Paul Neumann (608) 266-0818	2/20/2024