

### ADMINISTRATIVE RULES – FISCAL ESTIMATE

1. **Fiscal Estimate Version**

Original    Updated    Corrected

2. Administrative Rule Chapter Title and Number

HFS 159, Certification and Training Course Requirements for Asbestos Activities

3. Subject

To repeal and recreate ch. HFS 159 relating to asbestos certifications for individuals and companies, training course accreditations, and school designated asbestos coordinators.

4. **State Fiscal Effect:**

No Fiscal Effect

Increase Existing Revenues

Increase Costs

Indeterminate

Decrease Existing Revenues

Yes    No

May be possible to absorb within agency's budget.

Decrease Costs

5. Fund Sources Affected:

GPR    FED    PRO    PRS    SEG    SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. **Local Government Fiscal Effect:**

No Fiscal Effect

Increase Revenues

Increase Costs

Indeterminate

Decrease Revenues

Decrease Costs

8. Local Government Units Affected:

Towns    Villages    Cities    Counties    School Districts    WTCS Districts    Others:

9. **Private Sector Fiscal Effect (small businesses only):**

No Fiscal Effect

Increase Revenues

Increase Costs

Indeterminate

Decrease Revenues

Yes    No

May have significant economic impact on a substantial number of small businesses

Yes    No   May have significant economic impact on a substantial number of small businesses

Decrease Costs

10. Types of Small Businesses Affected:

Asbestos abatement contractors, asbestos consultants, asbestos training providers, asbestos roofing and siding contractors.

11. **Fiscal Analysis Summary**

Since 1988 when asbestos program fees were established in statute and rule, program costs have increased annually due to inflation with no subsequent revision in fees. Revenue from current fees is no longer sufficient to cover operating expenses. To meet current costs, the Department is proposing to revise and increase fees as follows:

- o Asbestos worker certification - increase from \$50 to \$75
- o Asbestos supervisor certification - increase from \$100 to \$125

- Asbestos inspector certification - increase from \$150 to \$175
- Asbestos management planner certification - increase from \$100 to \$125
- Asbestos project designer certification - increase from \$150 to 175
- Exterior asbestos worker (was roofing worker) – increase from \$25 to a one-time fee of \$125
- Exterior asbestos supervisor (was roofing supervisor) – increase from \$50 to \$75
- Asbestos company certification – new fees of \$200 for asbestos company (including abatement, consulting and training provider companies) and \$100 for exterior asbestos company
- Training course application – new one-time fee of \$200 per day of training (ranges from \$200 to \$1,000)
- Initial training course accreditation – change from one-time fee of \$750 to annual fee of \$900
- Refresher training course accreditation – change from one-time fee of \$250 to annual fee of \$250
- Instructor approval – new annual fee of \$50
- Asbestos project notification – new fees of \$50 with 2 days or more notice or \$100 for less than 2 days notice
- Replacement card for lost or damaged certification card – increase from \$8 to \$25
- Handling of incomplete applications – new \$25 fee
- Training course audit when a third audit is needed to verify correction of course deficiencies identified on 2 previous audits of the same course – audit fee includes the actual cost of conducting the audit, including staff time and travel expenses.

The Asbestos Certification Program has been operating in deficit since SFY04 with a projected deficit total of \$341,242 by the end of SFY08. This deficit will continue to increase until a fee increase is in place. The proposed fee increase is expected to eliminate the deficit within five to six years after implementation. The net effect of this rule would be to provide sufficient revenue for the asbestos certification program to operate for the next 5 to 7 years.

The proposed fee structure spreads expenses more evenly among entities regulated by the rule. Currently, individual certification fees make up 99% of program revenue. Under the proposed rule, individuals would continue to account for the majority of revenue, at 68%. Companies (abatement, consulting, exterior abatement, training providers and non-asbestos companies with in-house certified staff) would cover the remaining 32% of fees. Companies conducting more asbestos abatement projects would pay proportionately more in fees than companies doing fewer projects because they would pay more notification fees.

Under the proposed fee structure, it is estimated that individual certification fees in the first full year would be about \$403,000, company certification fees would be about \$153,000, and course accreditation fees would be about \$36,000. The projected average annual cost to a small business conducting asbestos abatement would be \$1,150 (for company certification and project notification fees, which are paid only when a company conducts asbestos abatement and can be passed on to the client); for a small business conducting asbestos consulting the annual cost would be \$200 (for company certification only); and, for a small business conducting exterior-only abatement the average annual cost would be about \$300 (for company certification and project notifications). For a training course, the annual cost to the training provider would be \$1,150 to maintain accreditation of both the initial and refresher course in a discipline.

It is expected that state government would have some increased costs, but no additional FTE's, to process company certifications and the additional certification and notification fees. No fiscal impact is expected on local government agencies. The overall fiscal effect on small businesses is expected to be minimal or indeterminate.

---

## 12. Long-Range Fiscal Implications

---

None known

13. Name - Prepared by Shelley Bruce	Telephone Number 608-267-0928	Date April 10, 2008
14. Name – OSF Analyst Reviewer Ellen Hadidian	Telephone Number 608-266-8185	Date
Signature – DHFS Secretary or Designee	Telephone Number	Date

