

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:

<input type="checkbox"/> No Fiscal Effect	<input checked="" type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

5. Fund Sources Affected:

GPR FED PRO PRS SEG SEG-S

6. Affected Ch. 20, Stats. Appropriations:

7. Local Government Fiscal Effect:

<input checked="" type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input type="checkbox"/> Increase Costs
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

8. Local Government Units Affected:

Towns Villages Cities Counties School Districts WTCS Districts Others:

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

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> 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
- o Asbestos inspector certification - increase from \$150 to \$175
- o Asbestos management planner certification - increase from \$100 to \$125
- o Asbestos project designer certification - increase from \$150 to 175
- o Exterior asbestos worker (was roofing worker) – increase from \$25 to a one-time fee of \$125
- o Exterior asbestos supervisor (was roofing supervisor) – increase from \$50 to \$75

- Asbestos company certification – new 2-year certification fees of \$400 for asbestos company certification (including abatement, consulting and training provider companies) and \$200 for exterior asbestos company certification
- Initial training course accreditation – change from one-time fee of \$750 to annual fee of \$500
- 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 \$393,542 by the end of SFY08. The proposed fee increase should eliminate the deficit by SFY12. The net effect of this rule would be to provide sufficient revenue for the asbestos certification program to operate for the next 5 to 8 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.

Revenue from the new fees in the first full year of implementation is estimated as follows:

Individual certification fees -	\$403,750
Company certification fees -	\$205,000
Course accreditation fees -	\$ 22,250
Miscellaneous -	\$ 1,725
Total -	\$632,725

Revenue in year two would be lower, at approximately \$514,000, because of the 2-year company certification cycle. Only new companies would be required to pay a certification fee in year two of the proposed rule.

The projected average annual fees to a small business conducting asbestos abatement would be \$1,150 (for one-half of the 2-year company certification and 19 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 projected annual fees would be \$200 (one-half of the 2-year company certification). For a small business conducting exterior-only abatement, the average annual cost would be about \$300 (for one-half of the 2-year company certification and 4 project notifications). For training courses, the projected annual fees to the training provider would be \$750 to maintain accreditation of each initial course and refresher course offered by the training provider.

It is expected that state government would have some increased costs but require no additional FTEs 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

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