

Fiscal Estimate Narratives

DNR 10/12/2015

LRB Number	15-1305/3	Introduction Number	SB-291	Estimate Type	Original
Description Approvals for high capacity wells, designation of sensitive resource areas, providing exemptions from emergency rule procedures, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Bill Summary:

This bill makes various changes to the laws regulating high capacity wells, which are wells that, together with all other wells on the same property, have the capacity to withdraw more than 100,000 gallons of water per day. The bill specifies the conditions that DNR may impose or modify in an approval for an existing high capacity well and those that it may impose in an approval for a new high capacity well. The bill establishes a procedure under which an area may be designated as a sensitive resource area (SRA) by statute. The bill allows owners of existing high capacity wells to obtain modification of the well approvals if conditions were placed on the approval that are not consistent with the department's authority under this bill.

Fiscal Impact:

Annual Costs: The bill will increase costs to the department by an estimated \$294,100 of salary and supplies related expenditures associated with 2.2 FTE. This estimate of fiscal impact includes costs associated with 1) establishing SRAs, and 2) modification of high capacity well approvals pursuant to an order under s. 30.03.

1). Establish of SRAs – The department estimates that approximately one new SRA will be designated every two years. The department estimates that each SRA will take 1.6 FTE of Hydrogeologist Adv. time, 0.2 FTE of Water Resources Specialist Adv. time, 0.2 FTE of Natural Resource Program Manager time, 0.2 FTE of Attorney time, and \$250,000 of contractual groundwater modeling services, to establish each new SRA.

2800 hours per SRA x 0.5 SRAs per year = 1400 hours

1400 hrs/1800 hrs per FTE = 0.8 FTE

Hydrogeologist Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400
x 0.8 FTE = \$59,500

400 hours per SRA x 0.5 SRAs per year = 200 hours

200 hrs/1800 hrs per FTE = 0.1 FTE

Water Resources Spec. Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400

x 0.1 FTE = \$7,400

400 hours per SRA x 0.5 SRAs per year = 200 hours

200 hrs/1800 hrs per FTE = 0.1 FTE

Natural Resources Program Mgr. (\$38.92/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$86,200

x 0.1 FTE = \$8,600

400 hours per SRA x 0.5 SRAs per year = 200 hours

200 hrs/1800 hrs per FTE = 0.1 FTE

Attorney (\$35.76/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$79,600

x 0.1 FTE = \$8,000

Contractual services = \$250,000 per SRA x 0.5 SRAs per year = \$125,000

2) Modification of Approvals Pursuant to s. 30.03 – The department estimates that approximately one order under s. 30.03 will be issued every two years which will require the department to modify previous high

capacity approvals. The department estimates that each s. 30.03 order, and subsequent modifications, will take 1.0 FTE of Hydrogeologist Adv. time, 1.0 FTE of Natural Resource Program Manager time, and 0.2 FTE of Attorney time, to comply with each 30.03 order.

1800 hours per order x 0.5 orders per year = 900 hours

900 hrs/1800 hrs per FTE = 0.5 FTE

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

400 hours per order x 0.5 orders per year = 200 hours

200 hrs/1800 hrs per FTE = 0.1 FTE

Natural Resources Program Mgr. (\$38.92/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$86,200
x 0.1 FTE = \$8,600

1800 hours per order x 0.5 orders per year = 900 hours

900 hrs/1800 hrs per FTE = 0.5 FTE

Attorney (\$35.76/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$79,600
x 0.5 FTE = \$39,800

One-Time Costs: The bill will increase costs to the department by an estimated \$537,700 of salary and supplies related expenditures associated with 3.8 FTE. This estimate of fiscal impact includes costs associated with 1) modification of administrative codes, 2) establishing a SRA for Waushara County lake area, and 3) modification of previous high cap approvals.

1). Modification of Administrative Codes – The department estimates that it will take 1.0 FTE of Hydrogeologist Adv. time, 0.3 FTE of Attorney time and 0.2 FTE of Natural Resource Program Manager time to develop and implement changes to Natural Resources Codes to establish the minimum rate of flow of a stream and the minimum water level of a lake and to modify high capacity well application review standards.

Hydrogeologist Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400
x 1.0 FTE = \$74,400

Natural Resources Program Mgr. (\$38.92/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$86,200
x 0.2 FTE = \$17,200

Attorney (\$35.76/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$79,600
x 0.3 FTE = \$23,900

2). Establish SRA for Waushara County Area Lakes – The department estimates that it will take 1.0 FTE of Hydrogeologist Adv. time, 0.1 FTE of Water Resources Specialist Adv. time, 0.1 FTE of Natural Resource Program Manager time, and \$250,000 of groundwater modeling contractual work, to establish an SRA for Waushara County area lakes.

Hydrogeologist Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400
x 1.0 FTE = \$74,400

Water Resources Spec. Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400
x 0.1 FTE = \$7,400

Natural Resources Program Mgr. (\$38.92/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$86,200
x 0.1 FTE = \$8,600

Contractual services necessary to conduct groundwater modeling activities = \$250,000

3). Modification of previously issued high capacity well approvals – The department estimates that owners of 240 previously approved wells would request modifications. The department estimates that each modification would take 8 hours of Hydrogeologist Adv. time.

240 high capacity well modifications x 8 hrs/ modification = 1920

1920 hrs/1800 hrs/FTE = 1.1 FTE

Hydrogeologist Adv. (\$33.17/hr salary and fringe) x 2080 + \$5200 supplies related expenditures = \$74,400
x 1.1 FTE = \$81,800

Revenue: The department estimates this bill will decrease revenue by \$5,000 per year. This decreased revenue is associated with an estimated 10 high capacity replacement wells that will no longer be subject to a \$500 application review fee.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 15-1305/3	Introduction Number SB-291
Description Approvals for high capacity wells, designation of sensitive resource areas, providing exemptions from emergency rule procedures, 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): \$537,700 in total one-time costs	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$157,700
(FTE Position Changes)	(2.2 FTE)
State Operations - Other Costs	136,400
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$294,100
B. State Costs by Source of Funds	
GPR	
FED	
PRO/PRS	294,100
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, etc.)	
	Increased Rev
	Decreased Rev
GPR Taxes	\$
GPR Earned	
FED	
PRO/PRS	-5,000
SEG/SEG-S	
TOTAL State Revenues	\$-5,000
NET ANNUALIZED FISCAL IMPACT	
	<u>State</u>
	<u>Local</u>
NET CHANGE IN COSTS	\$294,100
NET CHANGE IN REVENUE	\$-5,000
Agency/Prepared By	Authorized Signature
DNR/ Joe Polasek (608) 266-2794	Joe Polasek (608) 266-2794
	Date
	10/12/2015