

FISCAL NOTE

Bill Version: CSHB 361 (FIN)

(H) Publish Date: 3/24/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) 03/23/00 9:28 AM Dept. Affected Environmental Conservation
 Title An act relating to charges for state services BRU Air and Water
 Component Water Quality
 Sponsor House Finance
 Requester House Finance Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	113.5	75.4	50.8	50.8	50.8	50.8
Travel	10.0	7.5	5.0	5.0	5.0	5.0
Contractual	131.3	31.6	27.6	25.1	25.1	25.1
Supplies	2.0	1.5	1.0	1.0	1.0	1.0
Equipment	15.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	271.8	116.0	84.4	81.9	81.9	81.9

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	(356.8)	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	271.8	492.0	84.4	81.9	81.9	81.9
1005 GF/Program Receipts		158.5				
1037 GF/Mental Health						
1108 Stat Pgm Receipts		(534.5)				
TOTAL	271.8	116.0	84.4	81.9	81.9	81.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	2	1	0	0	0	0
Part-time	0	1	2	2	2	2
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Please see attached explanation.

Prepared by: Barbara Frank
 Division: Administrative Services
 Approved by: Commissioner [Signature]
 Agency: Department of Environmental Conservation

Phone 465-5010
 Date/Time 3/23/00 9:33 AM
 Date 3-22-00

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Reduction in Revenues Collected

The bill limits costs which can be recovered rather than current language that permits full cost recovery. As a result, less revenues can be collected. The department conducted an in depth analysis of the data collected by the Solid Waste program in FY 1999 to project lost revenues. Data collected by the Solid Waste program is the best quality and most complete. It is representative of likely impacts of limiting the hourly rates and reducing the pool of costs which can be recovered. Based on that analysis, program revenues collected would drop by 56%. The committee substitute tempered this by increasing the rate allowed to cover actual benefits. With a delayed implementation date, the loss of revenues is reflected in the second year of the fiscal notes.

A secondary issue is the goal to establish as many fixed fees as possible. It is not possible to project how many fees will be collected as fixed, negotiated agreements or time and materials. Fees collected under negotiated agreements can be treated as statutory program receipts but fixed or time and materials billings may not. A department can not ask for additional GF program receipt authority as an RPL. As a result, the Water Quality fiscal note returns all receipt authority to general fund program receipts.

The committee substitute exempts businesses with less than 20 people from paying for inspection travel. The impact is expected in Water Quality. In Water Quality, collections will be reduced by 19.2 beginning in year 2. This is based on an estimate of 100 state, 200 placer mines, and 190 general permits being issued to businesses with less than 20 employees.

Tracking Costs and Time and Materials Billings

The intent of the bill is to have fixed fees where feasible. However, when it is not feasible, the department must be able to bill time and materials. Time tracking will be needed at the desktop of individual employees. The costs of time tracking is allocated equally to the programs affected by the bill. The department selected a program the department currently uses called "Timeslips" to respond to the uniform accounting and invoicing system requirements. It is in use by the air and the food safety and sanitation programs.

Savings are available starting in year two by basing the four year fixed fee review on estimated rather than actual costs. Actual costs require the department to do ¼ hour time tracking on all designated regulatory services by all affected employees. Staff will analyze and prepare customized reporting from the time tracking records to support the actual costs adjustments to fixed fees. The agency proposes to use estimated rather than actual costs for both the original and subsequent updates to fixed fees. If that change were made that savings would be:

Solid Waste

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Drinking Water and Domestic Wastewater

Delete Env Tech II	52.2
Reduce Time Accounting	19.1

Water Quality

Reduce Env Tech II	26.1
Reduce Time Accounting	19.1

Total Savings Available 187.8

Increased Costs for Regulatory Process, Negotiation, Appeals and Petitions

Third, the bill increases costs by requiring the agency to set standard designated regulatory services fees in regulation; by allowing permittees to negotiate permit costs; and allowing appeals of charges based on both objective and subjective criteria.

There is a strong preference to have predictable fixed fees for services. Initially the fixed fees are estimates but in future revisions the committee substitute requires actuals. Developing those fixed fees will require examination of invoices and records to date to categorize different activities. Using the regulatory process will require program staff to examine similarities in services, administrative staff to assign costs, a regulation specialist to prepare regulatory language, and services of an attorney. Contractual costs will be incurred for public notices and hearings.

Appeals are permitted and envisioned on the billings. Resolving informal and formal appeals will require program staff to examine the text of the billing, administrative staff to research comparables and assign costs, and will also require the assistance of a regulations specialist. The committee substitute reduces the need for assistance from a paralegal after the initial regulation process in year 1.

YEAR 1

Solid Waste

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		100.0			100.0	100.0			100.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
43.2	5.0	183.3	1.0	7.5	240.0	240.0	0.0	0.0	240.0	1

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		12.0			12.0	12.0			12.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
43.2	5.0	95.3	1.0	7.5	152.0	152.0	0.0	0.0	152.0	1

Water Quality

Increased Costs to Implement HB:

(Regulations)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Legal Support - Regulations Specialist

Total Increased Costs Year 1:

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
70.3	5.0	3.0	1.0	7.5	86.8	86.8			86.8	1
43.2	5.0	3.0	1.0	7.5	59.7	59.7			59.7	1
		45.0			45.0	45.0			45.0	
		62.1			62.1	62.1			62.1	
		18.2			18.2	18.2			18.2	
113.5	10.0	131.3	2.0	15.0	271.8	271.8	0.0	0.0	271.8	2

YEAR 2

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
62.2	5.0	3.0	1.0	7.5	78.7	78.7			78.7	1
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		5.0			5.0	5.0			5.0	
		22.1			22.1	22.1			22.1	
105.4	10.0	33.1	2.0	7.5	158.0	158.0	0.0	0.0	158.0	2
						230.4	(230.4)		0.0	

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		22.1			22.1	22.1			22.1	
43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1
						156.1	(156.1)		0.0	

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 2:

Lost Revenues Funding Source Switch

Lost Revenues for Inspection Travel Businesses < 20 employees

Change Statutory Program Receipts to GF Prgm Receipts

71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
		5.0			5.0	5.0			5.0	
		22.1			22.1	22.1			22.1	
75.4	7.5	31.6	1.5	0.0	116.0	116.0	0.0	0.0	116.0	1.5
						356.8	(78.9)	(277.9)	0.0	
						19.2	(19.2)		0.0	
							256.6	(256.6)	0.0	

YEAR 3

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	1
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry			5.0			5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System											
Total Increased Costs Year 3:	105.4	10.0	33.1	2.0	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry						0.0				0.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings						0.0				0.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 3:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 3:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry			2.5			2.5	2.5			2.5	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System											
Total Increased Costs Year 3:	50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	1

YEAR 4+

Solid Waste

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist III

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist III	28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	0.5
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry			5.0			5.0	5.0			5.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System											
Total Increased Costs Year 4+:	71.3	7.5	31.6	1.5	0.0	111.9	111.9	0.0	0.0	111.9	1.5

Drinking Water & Domestic Wastewater

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Technician II	43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	1
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry						0.0				0.0	
Including Public Notices, Advertising, Mailing and Copying, Hearings						0.0				0.0	
Time Tracking/Cost Accounting System			22.1			22.1	22.1			22.1	
Total Increased Costs Year 4+:	43.2	5.0	25.1	1.0	0.0	74.3	74.3	0.0	0.0	74.3	1

Water Quality

Increased Costs to Implement HB:

(Regulations, Negotiations, Appeals, Petitions)

Env. Specialist IV

Env. Technician II

(Other Related Costs)

Contractual Support for Reg Development & Facilitation with Industry

Including Public Notices, Advertising, Mailing and Copying, Hearings

Time Tracking/Cost Accounting System

Total Increased Costs Year 4+:

	71000	72000	73000	74000	75000	Total	GF	GFPR	Stat PR	Total	PFT
Env. Specialist IV	32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
Env. Technician II	18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
(Other Related Costs)											
Contractual Support for Reg Development & Facilitation with Industry			2.5			2.5	2.5			2.5	
Including Public Notices, Advertising, Mailing and Copying, Hearings			22.1			22.1	22.1			22.1	
Time Tracking/Cost Accounting System											
Total Increased Costs Year 4+:	50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	1

Personal Services New Position Detail

Department of Environmental Conservation
HB 361 Fiscal Note - FY2001 Projected

Scenario: FY2001 Legislative Fiscal Note Info

Component: Water Quality (2062)

BRU Name: Air and Water Quality

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range Steps	Budgeted Months	Split / Annual Count	COLA	Premium Pay	Annual Benefits	Total Costs
18-#007	Environmental Spec IV	FT	A	GG	Anchorage	1A	20C	12.0	53,724	0	0	16,560	70,284
Justification: Implementation of HB 361													
18-#011	Environmental Tech II	FT	A	GG	Anchorage	1A	12C	12.0	31,068	0	0	12,097	43,165
Justification: Implementation of HB 361													
										Total Funding:		100.00%	70,284
										Total Funding:		100.00%	70,284

Component Summary:

Total New Positions: 2

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	113,449
Total Funding:	100.00%	113,449

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

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