

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

No. 1
Bill Version: SB 296
(S) Publish Date: 3-31-00

Revision Date/Time (Note if correction) 03/28/00 9:40 AM Dept. Affected Environmental Conservation
Title An act relating to charges for state services BRU Air and Water
Component Water Quality
Sponsor Senate Finance
Requester Senate Resources 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 Phone 465-5010
Division Administrative Services Date/Time 3/28/00 9:36 AM
Approved by Commissioner Date 3 28 00
Agency Department of Environmental Conservation

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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 bill 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 bill 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:

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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 actuals are required. 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 bill reduces the need for assistance from a paralegal after the initial regulation process in year 1.

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YEAR 1

Solid Waste

Increased Costs to Implement SB 296:

(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 SB 296:

(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 SB 296:

(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 SB 296:

(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 SB 296:

(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 SB 296:

(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	115.0	115.0	0.0	0.0	115.0	1.5
						356.8	(78.9)	(277.9)	0.0	
						19.2	(19.2)		0.0	
							256.6	(256.6)	0.0	

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YEAR 3

Solid Waste

Increased Costs to Implement SB 296:

(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	PFF
62.2	5.0	3.0	1.0	0.0	71.2	71.2			71.2	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	0.0	150.5	150.5	0.0	0.0	150.5	2

Drinking Water & Domestic Wastewater

Increased Costs to Implement SB 296:

(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	PFF
43.2	5.0	3.0	1.0	0.0	52.2	52.2			52.2	
					0.0				0.0	
		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	

Water Quality

Increased Costs to Implement SB 296:

(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	PFF
32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
		2.5			2.5	2.5			2.5	
		22.1			22.1	22.1			22.1	
50.8	5.0	27.6	1.0	0.0	84.4	84.4	0.0	0.0	84.4	

YEAR 4+

Solid Waste

Increased Costs to Implement SB 296:

(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	PFF
28.1	2.5	1.5	0.5	0.0	32.6	32.6			32.6	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	
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 SEI 296:

(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	PFF
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	

Water Quality

Increased Costs to Implement SB 296:

(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	PFF
32.2	2.5	1.5	0.5	0.0	36.7	36.7			36.7	0.5
18.6	2.5	1.5	0.5	0.0	23.1	23.1			23.1	0.5
		22.1			22.1	22.1			22.1	
50.8	5.0	25.1	1.0	0.0	81.9	81.9	0.0	0.0	81.9	

Personal Services New Position Detail

Department of Environmental Conservation

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	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#007	Environmental Spec IV	FT	A	GG	Anchorage	1A	20 C	12.0		53,724	0	0	16,560	70,284
Justification:														
Implementation of SB 296														
Total Funding: 100.00% 70,284														
Funding Detail:														
1004 General Fund Receipts 100.00% 70,284														
18-#011	Environmental Tech II	FT	A	GG	Anchorage	1A	12 C	12.0		31,068	0	0	12,097	43,165
Justification:														
Implementation of SB 296														
Total Funding: 100.00% 43,165														
Funding Detail:														
1004 General Fund Receipts 100.00% 43,165														

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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