

SUBJECT: FY 2013 Laboratory Certification and Registration Program Fee Adjustment

FOR: MARCH 2012 BOARD MEETING

TO BE PRESENTED BY / TITLE: Camille Turcotte / Chief, Environmental Science Services

SUMMARY:

Section 299.11(9), Wis. Stats., authorizes the Department to promulgate a graduated schedule of fees to recover the costs of administering the Laboratory Certification and Registration Program. Fees are determined using the formula in s. NR 149.21 (1) (c). The formula determines the program's fee schedule for each fiscal year and is tied to the number of laboratories participating in the program. Laboratories participating in the program must pay annual renewal fees in full to maintain their certifications and registrations.

Section NR 149. 21(1) (b), Wis. Adm. Code, requires that the annual fee adjustments be reviewed by the Certification Standards Review Council and approved by the Natural Resources Board.

For FY 2013 the proposed fees represent a modest 4.6% increase to participating laboratories. Two-thirds of this fee increase results solely from a decrease in the number of relative value units (RVU), the basis for distributing necessary fee revenue to offset expenditures. The Department will collect sufficient fee revenue to cover projected operating expenses comprising the proposed budget for FY 2013 of \$566,071 which is a 5.4% (\$32,288) decrease from FY 2012 budget.

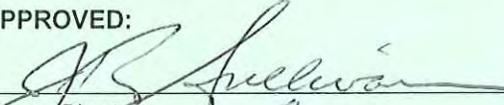
The cost per RVU proposed for FY 2013 is \$56.50, which is \$2.50 (4.6%) more than the RVU cost in FY 2012. This fee increase means that an average municipal lab will pay \$43 more for accreditation. The average commercial lab will pay an additional \$188. The number of laboratories in the program continues to gradually decline, most recently due to economic pressures. For FY 2013, the program is distributing costs among 388 laboratories, 7 fewer (1.8%) than in FY 2012.

RECOMMENDATION: The Department recommends the Board approve the program's FY 2013 fee adjustment proposal.

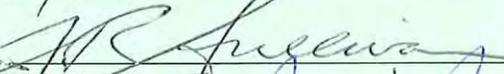
LIST OF ATTACHED MATERIALS:

- |    |                                     |   |     |                                     |          |
|----|-------------------------------------|---|-----|-------------------------------------|----------|
| No | <input type="checkbox"/>            | Fiscal Estimate Required                              | Yes | <input checked="" type="checkbox"/> | Attached |
| No | <input checked="" type="checkbox"/> | Environmental Assessment or Impact Statement Required | Yes | <input type="checkbox"/>            | Attached |
| No | <input type="checkbox"/>            | Background Memo                                       | Yes | <input checked="" type="checkbox"/> | Attached |

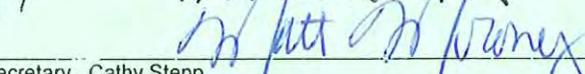
APPROVED:

  
Bureau Director,

2/19/2012  
Date

  
Administrator,

2/19/2012  
Date

  
Secretary, Cathy Stepp

2/21/12  
Date

cc: NRB Liaison Laurie Ross / AD 8  
DNR Rules Coordinator  
Camille Turcotte / SST

**CORRESPONDENCE/MEMORANDUM**

DATE: February 17, 2012  
TO: Natural Resources Board Members  
FROM: Cathy Stepp, Secretary  
SUBJECT: FY 2013 Laboratory Certification and Registration Fee Adjustment

**Background**

Section 299.11(9), Wis. Stats., authorizes the Department to promulgate a graduated schedule of fees to recover the costs of administering the Laboratory Certification and Registration Program. Chapter NR 149, Wis. Adm. Code, establishes a relative value system for determining annual fee adjustments. The system equitably distributes the costs of operating the program among all participating laboratories.

Fees are determined using the formula in s. NR 149.21 (1) (c). The formula determines the program's fee schedule for each fiscal year and is tied to the number of laboratories participating in the program, and the program's expenditure authority determined under s. 20.370 (3) (f), Wis. Stats. Laboratories participating in the program must pay renewal fees in full to maintain their certifications and registrations.

Section NR 149.21(1) (b), Wis. Adm. Code, requires that the annual fee adjustments be reviewed by the Certification Standards Review Council and approved by the Natural Resources Board. Laboratory certification and registration fees are included in the Department's consolidated fee billing statements, which are mailed to facilities in early May. The Department seeks Board approval for this fee adjustment in March to avoid any delays in processing fee statements and renewing the certification and registration of participating laboratories.

For FY 2013 the proposed fees represent a modest 4.6% increase to participating laboratories. Two-thirds of this fee increase results solely from a decrease in the number of relative value units (RVU), the basis for distributing necessary fee revenue to offset expenditures. The Department will collect sufficient fee revenue to cover projected operating expenses comprising the proposed budget for FY 2013 of \$566,071 which is a 5.4% (\$32,288) decrease from FY 2012 budget. The proposed budget, as has been the case in previous fiscal years, is well below the program's authorized spending authority.

The number of RVUs available for FY 2013 is 9,846, representing a decrease of 281 (2.8%) units. The cost per RVU proposed for FY 2013 is \$56.50, which is \$2.50 (4.6%) more than the RVU cost in FY 2012. This fee increase means that an average municipal lab will pay \$43 more for accreditation. The average commercial lab will pay an additional \$188. The number of laboratories in the program continues to gradually decline, most recently due to economic pressures. For FY 2013, the program is distributing costs among 388 laboratories, 7 fewer (1.8%) than in FY 2012.

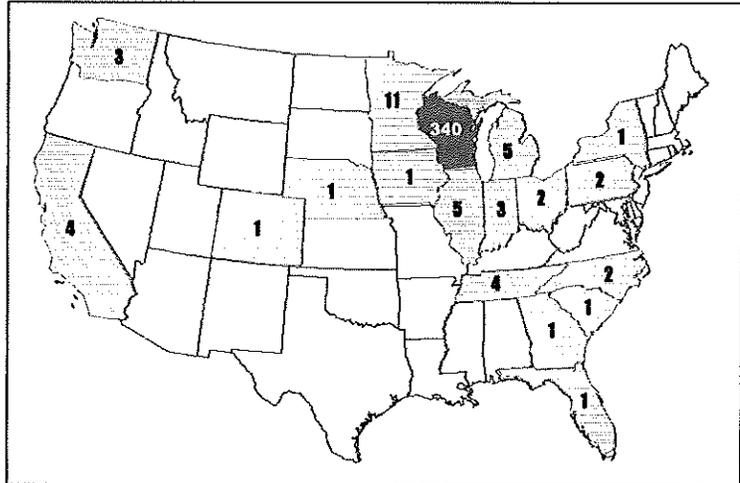
**Recommendation for Board Action**

The Department recommends the Board approve the program's FY 2013 fee adjustment proposal. The rest of this memorandum describes the fee adjustment proposal and its effect on regulated laboratories in detail.

**Laboratory Certification and Registration Program Overview**

The Laboratory Certification and Registration Program is managed by the Environmental Science Services Section in the Bureau of Science Services of the Division of Enforcement and Science. The program ensures the quality and defensibility of the environmental laboratory data submitted to the Department through regular laboratory on-site evaluations, proficiency testing, and outreach efforts. By rule, all laboratories submitting data to the Department’s covered programs must be certified or registered under ch. NR 149 to perform the tests generating such data. These data are integral to many of the Department’s environmental quality rules and regulatory programs.

Certified laboratories perform testing services for hire. Registered laboratories perform testing solely on behalf of their own facility or municipality, or a subsidiary or corporation under common ownership or control. At the time this proposal was drafted, 388 laboratories located in Wisconsin and in 17 other states participated in the program. The Department currently certifies 48 out-of-state laboratories. Seven of those laboratories are accredited completely through reciprocal agreements with the states of Michigan, North Carolina, South Carolina, and Washington. Two laboratories are covered partially by reciprocity and partially by direct certification. The Department directly administers certification for the remainder of the laboratories.



*The Lab Certification and Registration program accredits 388 labs that perform testing of Wisconsin samples, including 48 labs in 17 states other than Wisconsin.*

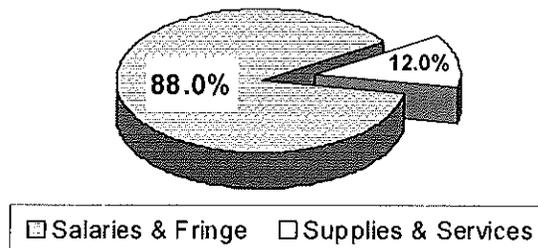
**FY 2013 Budget**

The program is submitting a budget of \$566,071 for FY 2013. This figure is \$32,288 (5.4%) less than the program’s FY 2012 budget. The decrease in the proposed FY 2013 budget is the largely the result of a projected reduction in fringe costs (as a percentage of salary) at the state level. In addition, the program plans to delay filling a Senior Chemist position for six months and has reduced projected supplies and services expenditures.

**Projected FY 2013 Expenditures**

Salary and fringe benefits constitute \$498,271 (88.0%) of the program’s FY 2013 budget. The remaining \$67,800 is distributed between allocations for supplies and services, including information and technology (IT). Figure 1 below illustrates the distribution of the program’s FY 2013 budget expenditures.

**Figure 1**  
Distribution of FY 2013 Budget Expenditures



Salary and Fringe

The FY 2013 salary and fringe expenses total \$498,271 (88.0%) of the program's budget. The program has an allotment of 7.39 full-time equivalent (FTE) positions for FY 2013. However, one of those positions is projected to remain vacant for the first six months of FY 2013. Another vacancy continues to remain unfilled at this time. The program intends to continue to contract for the services of an external auditor to perform laboratory evaluations for the first six months of the fiscal year to help keep up with the program's audit backlog. If the hiring of the senior chemist is delayed 6 months and a contractor is not utilized the regional laboratory audits would become significantly backlogged.

One FTE position is assigned to a Program Chemist that performs most of the program's administrative tasks and develops and presents outreach materials for laboratories and data users. The program's fee revenue also funds 39% of the Environmental Science Services Section Chief position. The remaining staff performs compliance evaluations of 381 laboratories enrolled in the program and provide technical and regulatory support to Department staff and the regulated laboratory community.

The FY 2013 projected cost for combined salary and fringe is \$15,788 (3.1%) less than the corresponding costs in the FY 2012 budget. Salary expenditures for FY 2013 are projected to be \$7,852 (2.4%) more than the corresponding costs in the FY 2012 budget. Fringe projections for FY 2013 are \$40,665 (22.4%) less than the corresponding costs in FY 2012.

Fringe costs for FY 2013 are projected to be 41.5% of salary, a significant decrease from the fringe rate of 46.46% in place for fiscal 2012. For the fiscal 2012 budget, projections in January 2011 indicated a need to budget for fringes at a rate of 54.72% of salary costs. As a result of Wisconsin Act 10, actual fringe rates came in much lower (46.46%). Subsequently, in July 2011, additional changes were made to state employee health insurance co-pays which will result in further reduction to the fringe percentage to 41.5% for fiscal 2013.

Supplies and Services and Information and Technology (IT)

Supplies and services account for \$67,800 (12.0%) of the program's budget. This amount is \$1,700 (2.4%) less than that budgeted for the same functions in FY 2012. During fiscal 2012, the program was successful in its efforts to create efficiencies and utilize technology such as switching to an electronic format and e-mailing program newsletters to reduce printing and postage costs.

The FY 2013 budget for in-state travel to perform laboratory evaluations is \$1,000 (5.9%) more than the corresponding amount in the FY 2012 budget. The projected cost for out-of-state travel to perform laboratory evaluations remains the same (\$10,000) for FY 2013. It is important to note that although out-of-state evaluation travel expenses are included in the program's budget, the Department recovers those expenses by billing out-of-state laboratories for all evaluation-related travel expenses. In turn, per s. NR 149.21 (1) (c), these expenses are not included in the calculation of the program's fee schedule. The sum of projected travel expenses for in and out-of-state evaluations of laboratories in FY 2013 is \$1,000 (3.7%) more than the sum of the same expenses projected in FY 2012.

In prior years, separate budget line items were included for Information and Technology (IT) and Supplies & Services costs. Due to recent internal accounting changes, IT costs are now allocated to programs as indirect Supplies & Services costs.

Table 1 on the next page provides an itemized summary of the program's FY 2013 budget.

**Table 1**  
**FY 2013 Laboratory Certification Program Budget**

**Expenses**

BUDGET ITEM	FY 2013 BUDGET
<b>SALARY &amp; FRINGE</b>	
FTE Salary	\$ 340,103
FTE Fringe	\$ 141,143
Indirect (Labor)	\$ 17,025
<b>Subtotal: Salary and Fringe</b>	<b>\$ 498,271</b>
<b>SUPPLIES &amp; SERVICES</b>	
Office Supplies, Services, and Equipment	\$ 4,000
In-State Travel (Laboratory Audits)	\$ 18,000
Out-of-State Travel (Laboratory Audits)	\$ 10,000
Outreach	\$ 500
Staff Training	\$ 2,500
Postage	\$ 1,500
Printing / Copying Services	\$ 500
Contract Auditor	\$ 12,000
Indirect (Supplies/Services)	\$ 18,800
<b>Subtotal: Supplies and Services</b>	<b>\$ 67,800</b>
<b>TOTAL FY 2013 BUDGET EXPENSES</b>	<b>\$ 566,071</b>

**Revenues**

<b>LabCert Fee Revenue</b>	<b>\$ 556,299</b>
LabCert base fee revenue: RVU=2715	\$ 153,398
LabCert matrix fee revenue: RVU=2470	\$ 139,555
LabCert technology fee revenue: RVU=4497	\$ 254,081
LabCert application fee revenue: RVU= 164	\$ 9,266
<b>Out-of-State Travel Re-imburements</b>	<b>\$ 10,000</b>
<b>TOTAL FY 2013 BUDGET REVENUES</b>	<b>\$ 566,299</b>
<b>PROJECTED SURPLUS/SHORTFALL</b>	<b>\$ 228</b>

**Fee Basis (Cost/RVU)**

<b>TOTAL FY 2013 BUDGET EXPENSES</b>	<b>\$ 566,071</b>
Out-of-State Travel Re-imburements	\$ (10,000)
<b>REQUIRED FEE REVENUE</b>	<b>\$ 556,071</b>
projected lab RVU	9682
projected application RVU	64
<b>TOTAL BUDGETED RVUS</b>	<b>9846</b>
<b>COST / RVU (Required Revenue/ Total RVU)</b>	<b>\$ 56.50</b>
comparison to FY 2012 (\$54.00/RVU)	4.6%
actual cost per RVU	\$ 56.48

**Fee Revenue Necessary to Fund FY 2013 Budget**

Section NR 149.21 (1), Wis. Adm. Code, authorizes the Department to collect sufficient fee revenue equal to the Department of Administration's approved spending authority for the program. However, NR 149.21 (1) (c) 1.c, allows the Department to collect a lesser amount than the authorized spending authority. Therefore, fees are charged to all enrolled laboratories only to recover the costs of administering the program. The program historically has strived to keep fees reasonable by submitting budgets below the program's authorized spending authority.

Out-of state laboratories are billed for all evaluation-related travel expenses. The Department must budget for these expenses, but because the costs are reimbursed by the out-of-state laboratories, the program does not need to collect fee revenue to recover the costs. For FY 2013, the program is projecting \$10,000 for reimbursable travel expenditures.

The program's projected operating expenses of \$566,071 are adjusted by subtracting \$10,000 for out-of-state audit travel reimbursement. Subsequently, the Department will need to collect \$556,071 to fund the remainder of the program's FY 2013 operating expenses.

**Determination of FY 2013 Fee Schedule**

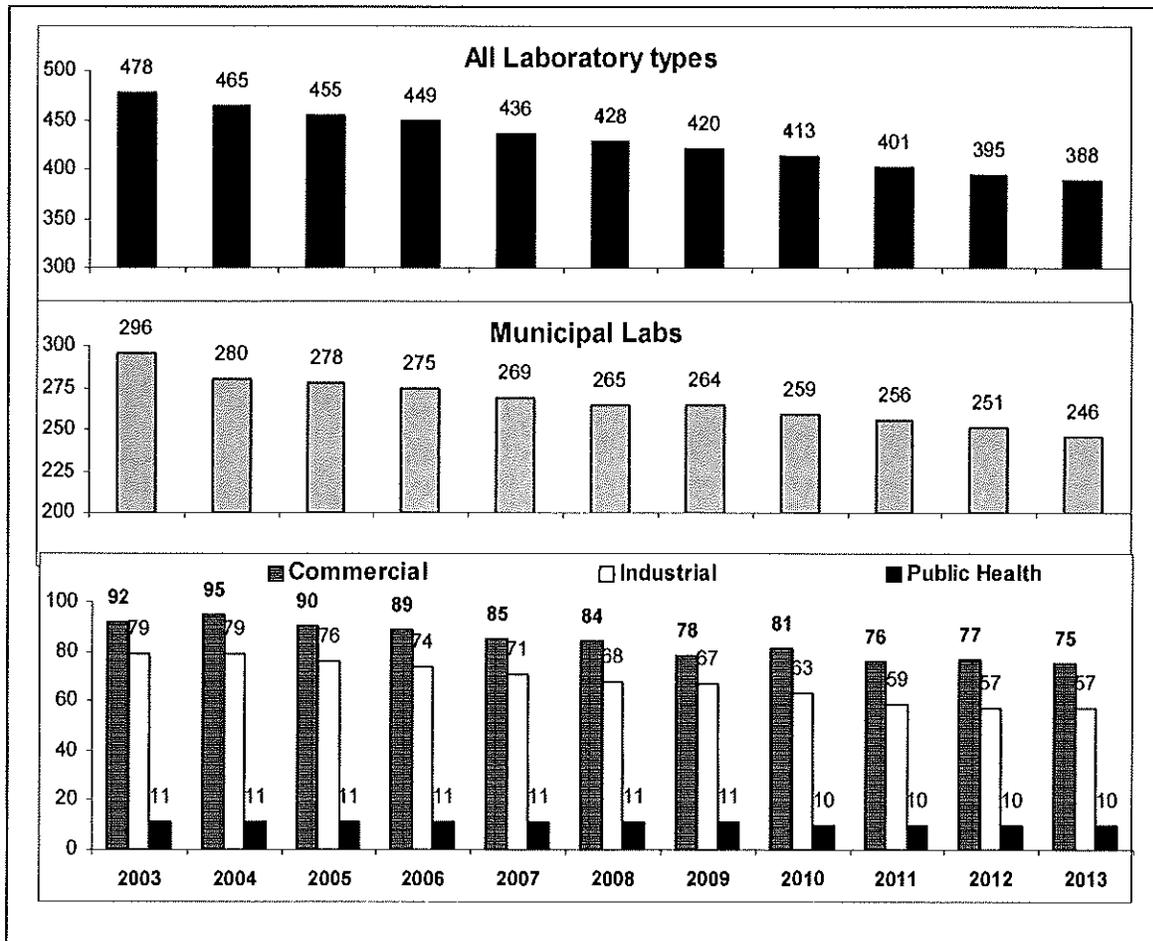
The fee formula established in s. NR 149.21 (1) (c) uses a relative value system to distribute equitably, among all participating laboratories, the cost of administering the program. The system defines a relative value unit (RVU) as the base for costs. The relative value of each fee item is specified in ch. NR 149.21, Wis. Adm. Code, Tables 1, 2, and 3.

RVU assignments are based on the complexity of an item or the associated effort in managing the item. Chapter NR 149 assigns RVUs to the matrices or types of samples analyzed by laboratories, the analytical technology laboratories use to analyze aqueous and solid samples, and the class of compounds laboratories analyze in drinking water.

The cost per RVU is determined by dividing the program's budgeted operating expenses, excluding out-of-state evaluation travel expenses, by the number of available RVUs. The cost of each item is then determined by multiplying the number of RVUs assigned to an item by the cost per RVU.

The number of RVUs available for each fiscal year depends on the number of laboratories accredited for each fee item. As Figure 2 illustrates, there will be seven fewer laboratories participating in the program at the onset of FY 2013 than there were at the onset of FY 2012, a decrease in the number of labs of 1.8%. The number of overall RVUs decreased 2.8% due to having 7 fewer laboratories and from other laboratories dropping registration or certification for some of their parameters.

**Figure 2**  
Number of Laboratories by Fiscal Year



**Table 2**  
Alternative Bases for Fee Collection

Variable	FY2013 (proposed)	Option 1	Option 2	Option 3	Full ch. 20 Authority <sup>1</sup>
		NO	Yes (6 mos.)	NO	Yes (12 mos.)
Total Expenses	\$ 566,071	\$ 554,071	\$ 575,566	\$ 590,789	\$ 634,550
Total Revenues	\$ 566,299	\$ 556,453	\$ 576,145	\$ 590,914	\$ 748,450
Projected Surplus / (Shortfall)	\$ 228	\$ 2,382	\$ 579	\$ 125	\$ 113,900
Cost/RVU	\$ 56.50	\$ 55.50	\$ 57.50	\$ 59.00	\$ 75.00
Avg Municipal WWTP fee (FY12: \$918)	\$ 961	\$ 944	\$ 978	\$ 1,003	\$ 1,275
Avg Commercial Lab fee (FY12: \$4,150)	\$ 4,238	\$ 4,163	\$ 4,313	\$ 4,425	\$ 5,625
Comparison to FY 2012 fees	4.6%	2.8%	6.5%	9.3%	38.9%

<sup>1</sup> Establishing fees and collecting revenue as close to the Spending Authority as possible without exceeding it.

For FY 2013, the Department projects 388 laboratories will be accredited which will constitute a total of 9,846 RVUs. This represents a decrease of 281 (2.8%) RVUs. The FY 2013 cost per RVU is calculated by dividing the required fee revenue, (\$556,071) by the 9,846 RVUs available, which yields a cost of \$56.48 per RVU, rounded, for billing ease, to the nearest half dollar to \$56.50. This represents an increase of \$2.50 (4.6%) from the cost of an RVU in FY 2012. Table 2 summarizes alternative premises for fee collection and the effect they would have on laboratory fees and the program’s balance sheet.

The proposed Wisconsin laboratory certification and registration fees will continue to remain below those of many other states with comparable programs, as illustrated by Figure 3 and 4 below.

**Figures 3 & 4**  
**Comparison of Various Annual State Laboratory Certification Fees**

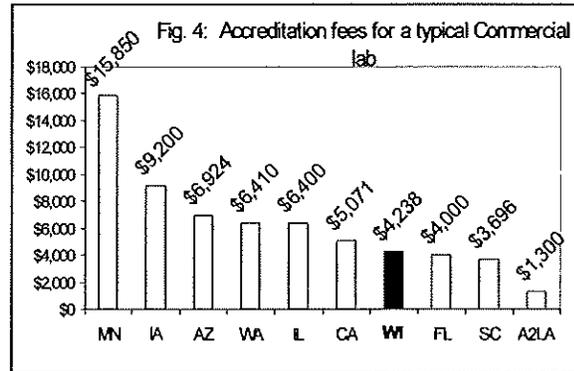
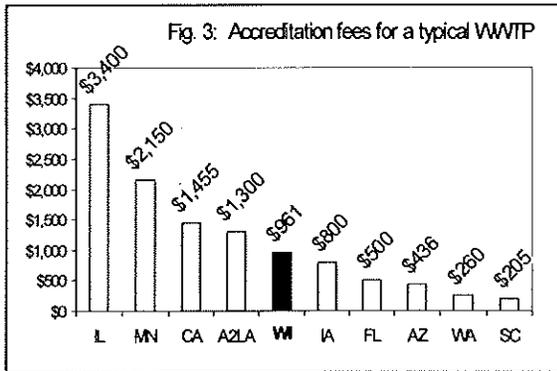


Figure 3 shows that the proposed annual fees for a typical wastewater treatment plant laboratory are below those of three states with comparable programs, each (CA, IL, MN) and below those of A2LA (a not-for-profit third party accreditor of environmental laboratories).

Figure 4 shows that the proposed annual fees for a typical commercial laboratory certified in Wisconsin are below those of six states with comparable programs. The A2LA figure does not include additional costs assessed by A2LA for on-site evaluations. Laboratories located in Wisconsin are not assessed an on-site evaluation fee by our program.

The fee schedule for FY 2012 and the proposed fee schedule for FY 2013 are presented in Table 3.

**Table 3**  
**Laboratory Certification and Registration Program**  
**Comparison of Proposed FY 2013 to FY 2012 Fee Schedule**

FEE Item	# RVUs	FY2012 Fee	Proposed FY2013 Fee
<b>Administrative</b>			
Late Renewal Fee	2	\$108.00	\$113.00
<b>Application</b>			
Reciprocity	4	\$216.00	\$226.00
Initial	6	\$324.00	\$339.00
Revised	3	\$162.00	\$169.50
Transfer of Ownership	4	\$216.00	\$226.00
<b>Base</b>			
Reciprocity	10	\$540.00	\$565.00
Certified	10	\$540.00	\$565.00
Registered	5	\$270.00	\$282.50
<b>Matrix</b>			
Aqueous	5	\$270.00	\$282.50
Drinking Water	5	\$270.00	\$282.50
Solids	5	\$270.00	\$282.50
<b>Analytical Technology, Aqueous and Solid</b>			
Oxygen Demand Assays (BOD or cBOD)	3	\$162.00	\$169.50
Colorimetric or Nephelometric (Turbidimetric)	2	\$108.00	\$113.00
Combustion or Oxidation	2	\$108.00	\$113.00
Electrometric Assays (e.g. Probe, Ion-Selective Electrode)	1	\$54.00	\$56.50
Gravimetric Assays - Residue (Solids)	1	\$54.00	\$56.50
Gravimetric Assays - Oil and Grease or Hexane Extractable Materials (HEM)	2	\$108.00	\$113.00
Ion Chromatography (IC)	3	\$162.00	\$169.50
Titrimetric or Potentiometric Titration Assays	1	\$54.00	\$56.50
Cold Vapor Atomic Absorption or Gaseous Hydride Spectrophotometry	3	\$162.00	\$169.50
Flame Atomic Absorption Spectrophotometry	2	\$108.00	\$113.00
Graphite Furnace Atomic Absorption Spectrophotometry	3	\$162.00	\$169.50
Inductively Coupled Plasma Emission Spectrophotometry (ICP)	4	\$216.00	\$226.00
Inductively Coupled Plasma-Mass Spectrometry (ICP/MS)	5	\$270.00	\$282.50
Ultra-Low Level Metals Assays	3	\$162.00	\$169.50
Gas Chromatography (GC)	3	\$162.00	\$169.50
Gas Chromatography-Mass Spectrometry (GC/MS)	4	\$216.00	\$226.00
High Resolution Gas Chromatography-Mass Spectrometry (HRGC/MS)	10	\$540.00	\$565.00
High Performance Liquid Chromatography (HPLC)	3	\$162.00	\$169.50
Liquid Chromatography-Mass Spectrometry	4	\$216.00	\$226.00
Whole Effluent Toxicity Assays	5	\$270.00	\$282.50
Cold Vapor Atomic Fluorescence Spectrometry (CVAFS)	3	\$162.00	\$169.50
Thermal Decomposition Atomic Absorption	3	\$162.00	\$169.50
Colorimetric or Nephelometric (Turbidimetric)	2	\$108.00	\$113.00
Combustion or Oxidation	2	\$108.00	\$113.00
Electrometric Assays (I.e. probe, ion-selective electrode)	1	\$54.00	\$56.50
Gravimetric Assays - Residue (solids)	1	\$54.00	\$56.50
Ion Chromatography (IC)	3	\$162.00	\$169.50
Titrimetric or Potentiometric Titration Assays	1	\$54.00	\$56.50
Cold Vapor Atomic Absorption or Gaseous Hydride Spectrophotometry	3	\$162.00	\$169.50
Flame Atomic Absorption Spectrophotometry	2	\$108.00	\$113.00
Graphite Furnace Atomic Absorption Spectrophotometry	3	\$162.00	\$169.50
Inductively Coupled Plasma Emission Spectrophotometry (ICP)	4	\$216.00	\$226.00
Inductively Coupled Plasma-Mass Spectrometry (ICP/MS)	5	\$270.00	\$282.50
Ultra-Low Level Metals Assays	3	\$162.00	\$169.50
Gas Chromatography (GC)	3	\$162.00	\$169.50
Gas Chromatography-Mass Spectrometry (GC/MS)	4	\$216.00	\$226.00
High Resolution Gas Chromatography-Mass Spectrometry (HRGC/MS)	10	\$540.00	\$565.00
High Performance Liquid Chromatography (HPLC)	3	\$162.00	\$169.50
Liquid Chromatography-Mass Spectrometry	4	\$216.00	\$226.00
Waste Characterization Extractions	1	\$54.00	\$56.50
Waste Characterization Assays	1	\$54.00	\$56.50
Cold Vapor Atomic Fluorescence Spectrometry (CVAFS)	3	\$162.00	\$169.50
Thermal Decomposition Atomic Absorption	3	\$162.00	\$169.50
Maximum Aqueous Technology Fee	22	\$1,188.00	\$1,243.00
Maximum Solids Technology Fee	22	\$1,188.00	\$1,243.00
<b>Analytical Class, Drinking Water</b>			
Disinfection Byproducts	5	\$270.00	\$282.50
Primary Inorganic Contaminants (Non-Metals)	3	\$162.00	\$169.50
Primary Inorganic Contaminants (Metals)	6	\$324.00	\$339.00
Secondary Contaminants (Non-Metals)	2	\$108.00	\$113.00
Secondary Contaminants (Metals)	3	\$162.00	\$169.50
Synthetic Organic Contaminants (SOC) - Dioxin	8	\$432.00	\$452.00

**Public Hearings**

This proposal consists of an annual fee adjustment under s. NR 149.21 (1) (b), Wis. Adm. Code and does not require a public hearing because the proposal does not involve a rule amendment. A public information meeting to discuss the proposed fee adjustment was held at the Department's headquarters in Madison on February 16, 2012. Seven members of the Certification Standards Review Council and one member of the regulated community attended the meeting.

**Environmental Analysis**

The requested Board action pertains only to an annual fee adjustment and not a rule amendment. It is therefore a Type III action that will have no material impact on the human environment and does not require an environmental assessment or environmental impact statement.

**Small Business Regulatory Flexibility Analysis**

The proposal does not require a small business flexibility analysis because the requested action does not pertain to rule making. Approximately 20 of the program's 388 laboratories fit the definition of "small business" specified in s. 227.114(1) Stats. These laboratories include small in-state and out-of-state commercial laboratories. The fee formula in s. NR 149.21 (1) (b), Wis. Adm. Code, is designed to distribute equitably the cost of operating the program across all participating laboratories. Fees cannot be changed for one group of laboratories without affecting the fees assessed to the remaining laboratories.

**Certification Standards Review Council**

Section 149.21 (1) (b), Wis. Adm. Code, requires the Certification Standards Review Council to review all annual certification and registration fee adjustments. The Council is a nine-member advisory board created under s. 15.107(12), Wis. Stats., to review the standards of the Laboratory Certification and Registration Program and to provide recommendations for improving program performance. Each member represents an environmental laboratory group of stakeholders. Eight members are appointed by the Department of Administration and one member is appointed by the Chancellor of the University of Wisconsin-Madison. Six council members represent regulated laboratories that pay certification or registration fees.

The Council reviewed the program's FY 2013 budget and fee adjustment proposal on February 16, 2012 and passed unanimously a resolution recommending that the Board approve the proposed adjustment. A copy of the signed resolution is included before the Fiscal Estimate form.

**Fiscal Estimate**

The required Fiscal Estimate and its accompanying worksheet are included at the end of this background memorandum.

### Fiscal Estimate — 2012 Session

Original       Updated  
 Corrected       Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number NR 149

**Subject**

DNR Laboratory Certification and Registration Program Fees for FY 2013

**Fiscal Effect**

State:  No State Fiscal Effect  
 Indeterminate

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.  
 Yes       No

Decrease Costs

Local:  No Local Government Costs  
 Indeterminate

1.  Increase Costs  
 Permissive       Mandatory  
2.  Decrease Costs  
 Permissive       Mandatory

3.  Increase Revenues  
 Permissive       Mandatory  
4.  Decrease Revenues  
 Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others      Sanitary Districts  
 School Districts       WTCS Districts

**Fund Sources Affected**

GPR       FED       PRO       PRS       SEG       SEG-S

**Affected Chapter 20 Appropriations**

20.370 (3)(fj)

**Assumptions Used in Arriving at Fiscal Estimate**

**Rule Summary:**

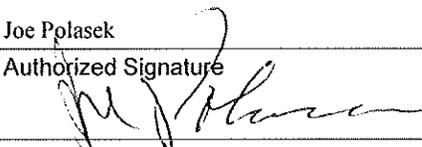
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**Fiscal Estimate:**

The program is projecting costs of \$566,071 for FY 2013. This figure represents a decrease of \$32,288 (5.4%) from the expenses of \$598,359 budgeted for FY 2012 and remains well below the program's FY2013 spending authority of \$751,000. The decrease results from further reductions to the state fringe rate, delaying filling a vacancy for six months, and continuing to retain an existing vacancy in the program. The number of laboratories participating in the program has decreased by 7.

Per s. NR 149.21 (1) (c), Wis. Adm. Code, the amount of annual fee revenue necessary to fund the program's budget is determined by subtracting projected out-of-state laboratory evaluation travel expenses, which are reimbursable to the program, from projected costs. After subtracting \$10,000 for projected out-of-state evaluation travel expenses the Department will need to collect \$556,071 in fee revenue to fund the program in FY 2013. This figure is \$21,664 (3.6%) less than the amount of fee revenue required to meet the program's FY 2012 budget. This fee adjustment applies only to FY 2013. Fee adjustments are determined annually.

**Long-Range Fiscal Implications**

Prepared By: Joe Pplasek	Telephone No. 266-2794	Agency Department of Natural Resources
Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 02-17-12

**Fiscal Estimate — 2009 Session**

**Page 2 Assumptions Narrative  
Continued**

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number NR 149

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Assumptions Used in Arriving at Fiscal Estimate – Continued

Local Government Laboratories

Fees for local government laboratories will increase by \$2.50 per RVU (4.6% increase). Fees for a wastewater treatment facility (WWTF) that analyzes BOD, TSS, phosphorus, and ammonia will be \$961.00 in FY2013 compared to \$918.00 charged in FY2012. Currently, there are 256 municipal wastewater treatment facility and county public health laboratories that participate in the Laboratory Certification and Registration Program. There are a total of 4867 RVUs that are from the 256 municipal/county labs. At an increase of \$2.50/RVU, a total additional fiscal burden of \$12,168 would be realized by these government facilities.

**Fiscal Estimate Worksheet — 2012 Session**  
 Detailed Estimate of Annual Fiscal Effect

Original       Updated  
 Corrected       Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number NR 149

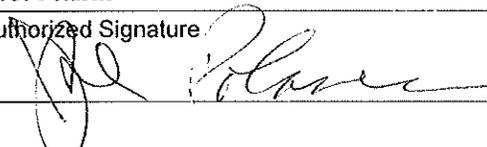
Subject  
 DNR Laboratory Certification and Registration Program Fees for FY 2013

One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations — Salaries and Fringes	\$	\$ -
(FTE Position Changes)	( FTE )	(- FTE )
State Operations — Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
<b>Total State Costs by Category</b>	\$	\$ -
<b>B. State Costs by Source of Funds</b>		
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
<b>State Revenues</b>	<b>Increased Revenue</b>	<b>Decreased Revenue</b>
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS	21,940	-
SEG/SEG-S		-
<b>Total State Revenues</b>	\$	\$ -

**Net Annualized Fiscal Impact**

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$	\$ 12,168
Net Change in Revenues	\$ 21,940	\$ 0

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Authorized Signature 	Telephone No. 266-2794	Date (mm/dd/ccyy) 02-17-12

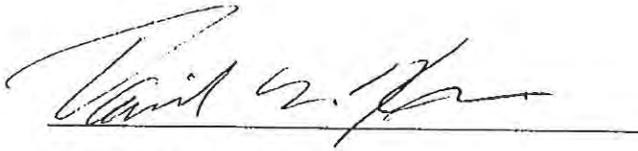
**CERTIFICATION STANDARDS REVIEW COUNCIL RESOLUTION**

**Whereas** the Laboratory Certification and Registration Program is required by s. 299.11(9), Wis. Stats., to promulgate by rule a graduated schedule of fees designed to recover the costs of administering the Program, and

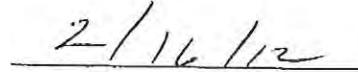
**Whereas** the Certification Standards Review Council is required to by s. NR 149.21 (b), Wis. Adm. Code, to review annual adjustments to this schedule of fees, and

**Whereas** the Certification Standards Review Council has reviewed the Laboratory Certification and Registration Program's proposed Fiscal Year 2013 fee adjustment, then

**Therefore**, be it resolved that the Certification Standards Review Council recommends the Natural Resources Board approve the Laboratory Certification and Registration Program's proposed Fiscal Year 2013 fee adjustment.



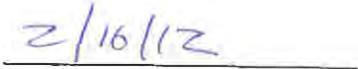
David Kliber, Chair  
Certification Standards Review Council  
S-F Analytical Laboratories



Date



Camille Turcotte, Chief  
Environmental Science Services Section  
Bureau of Science Services  
Department of Natural Resources



Date