

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB744 earmarks a portion of the Nebraska Game and Parks Commission’s current appropriation in the amounts of \$10,000,000 in cash funds in both FY2023-24 and FY2024-25, for the purpose of wildlife damage reimbursement. These cash funds would be from the Wildlife Conservation Program 336 to be used only for payments to applicants for the reimbursement of landowner damage claims caused by wildlife. These funds are to be distributed by the Nebraska Game and Parks Commission on a pro rata basis for each calendar year, on February 1, 2024 and February 1, 2025.

The Nebraska Game and Parks Commission has identified expenditures such as the need to hire 22 full-time employees (including 1 Program Manager, 1 Administrative Program Officer, and 20 Biologists) with salary and benefits totaling \$1,876,541 in FY2023-24 and \$1,955,912 in FY2024-25. Plus, operating, travel, and capital costs of \$7,253,556 in FY2023-24 and \$5,030,026 in FY2024-25. However, none of the \$10,000,000 in cash funds in both years of the biennium earmarked in LB744, can be used for any of these expenditures.

Also, the agency indicates that the cash funds in Program 336 cannot be used to pay for the landowner wildlife damage reimbursement claims. The use of Game cash funds as payment would be in direct conflict with Revised State Statutes 37-901 and 37-902, in which the State of Nebraska assents to the provisions of the Wildlife and Sport Fish Restoration (WSFR) Programs with the U.S. Fish and Wildlife Service. Using Game cash funds would result in the agency no longer being eligible for federal WSFR funds.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 744	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY:	Jacob Leaver	DATE: 2/2/2023	PHONE: (402) 471-4173
<p>COMMENTS: The Nebraska Game and Parks Commission’s estimated fiscal impact to the agency appears to be excessive. The agency has identified that it would cost an estimated \$5.397 million in re-occurring costs with \$2.227 million startup costs to pay out \$1.506 million each year. The total amounts paid to landowners may be less or more depending on the number of claims that are filed and paid. Most of the expenditures shown in the breakdown could be accommodated within existing resources. It is assumed that existing locations will be utilized to accommodate the new teammates needed for this program. <u>Technical Note:</u> The language is earmarking existing appropriation for the contents of this bill. The language within the bill is not sufficient to create an appropriation. The agency may or may not have the cash fund statute authority to implement this program.</p>			

**LB<sup>(1)</sup> 744 Appropriate \$10 million for wildlife damage**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Game and Parks Commission

Prepared by: <sup>(3)</sup> Kay Mencl Date Prepared: <sup>(4)</sup> 1/30/2023 Phone: <sup>(5)</sup> (402) 471-5189

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	9,130,097	10,000,000	6,985,938	10,000,000
FEDERAL FUNDS		(22,800,000)		(22,800,000)
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>9,130,097</u>	<u>(12,800,000)</u>	<u>6,985,938</u>	<u>(12,800,000)</u>

**Explanation of Estimate:**

The proposed legislation would provide for \$10 million in appropriation for each year FY24 and FY25 for wildlife damage reimbursement in Program 336 – Wildlife Conservation. The funds would be distributed to applicants for reimbursement of damage caused by wildlife. Funds would be distributed on a pro rata basis each calendar year on February 1 (2024 and 2025).

No source of the cash funds is specified. None of the current Game and Parks Commission cash funds used in Program 336 provide authority for the agency to make expenditures for wildlife damage reimbursement. Thus, if the Game cash fund is the intended funding source, the agencies use of those funds to pay for crop losses would constitute a diversion of license revenues and would render the Commission ineligible from further participation in the Wildlife and Sport Fish Restoration (WSFR) Programs with the U.S. Fish and Wildlife Service.

The WSFR programs have provided over \$376 million in federal dollars for fish and wildlife work in Nebraska since 1939. The current apportionment for WSFR programs for Federal Fiscal Year 2022 is just over \$22.8 million. This and future federal apportionments would not be available. As written, the proposed use of Game Fund monies would be in direct conflict with Revised State Statutes 37-901 and 37-902 in which the State of Nebraska assents to the provisions of the WSFR programs. The proposed level of expenditure would not be sustainable within the Game Fund balance if any assemblance of ongoing work is expected. General funds should be considered.

\* The (22,800,000) amount represents lost Federal revenue if Game fund used.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Program Manager	1	1	57,766	60,654
Biologist II	20	20	997,318	1,047,184
Administrative Program Officer I	1	1	38,888	40,832
Benefits.....			782,569	807,242
Operating.....			3,530,351	3,493,821
Travel.....			27,205	27,205
Capital outlay.....			2,190,000	
Aid.....			1,506,000	1,506,000
Capital improvements.....				
<b>TOTAL.....</b>			<u>9,130,097</u>	<u>6,985,938</u>

The legislation as written provides for no additional authority for administering the program and intends for the funds to be distributed on a pro rata basis to applicants. Using the intent that this bill will fund LB456, the operational costs include the following:

Administrative activities of the damage program would add expenses and personnel needs not currently covered by the commission. The estimated cost for the operation and payment of damages for game species is provided below. Total Claims expected/year: 2,500 (1,500 elk +1000 mt lion). We are basing the 1,500 elk claims on roughly 75% of the landowners estimated to have elk on their property, potentially submitting a complaint. We are estimating that we might pay on 150 of those claims based on the number of landowners over the years that we have seen damage (whether minimal or great). We estimate on average we might pay about \$10,000/claim on elk damage. The estimation comes from paying for roughly 5-7 acres of irrigated corn and/or the cost to pay for roughly ¼ mile of fence to be rebuilt.

On mountain lions, we estimate 1,000 claims with roughly 5 being paid. Our estimation of the number we might pay comes from the highest number of substantiated animals we have identified being mt lion depredation in one year. The estimation of the cost comes from the estimation of what Colorado has paid on average per claim for mt lion damage (\$1,000/animal).

On the staffing, we estimate that each claim will take on average two days (16 hours) to investigate. Estimating that there are 2,500 claims @8 hours per day working 2080 hours per year, equals about 20 biologists. We would also need a program manager to head up the program and an administrative assistant to help with processing claims and information. All associated expenses with staff are included in the spreadsheet.

We also included the amount of hiring an arbitrator for each claim, at approximately \$171/hour with an estimation of eight hours of time on each claim. We assume that all claims not paid will go into arbitration (2,350).

Our total estimation of costs for the first year is \$9,130,097.00 the second year of the biennium would be \$6,985.938.00

The following chart itemizes the potential expenses involved in implementation of the proposed legislation assuming an effective date of July 1, 2023:

	HRLY/base	ANNUAL	1X start up	NOTES
Program Manager (x1)	\$27.77	\$57,765.76		Min Perm rate
Biologist II (x20)	\$23.97	\$997,318.40		Min Perm rate
Admin Programs Officer I (x1)	\$18.70	\$38,887.68		Min Perm rate
Benefits (OASDI)	7.650%	\$83,688.85		
Benefits (Retire)	7.500%	\$82,047.89		
Benefits (Insurance)	\$28,037.82	\$616,831.99		family coverage
3/4-ton PU New (x21)	\$65,000.00		\$1,365,000.00	would replace one per year per our schedule
3/4-ton annual cost (x21)	\$8,625.00	\$172,500.00		based off mileage of 15,000 miles per year - federal mileage rate of \$.575/ mile
NEW UTV (x20)	\$25,000.00		\$500,000.00	would replace one per year per our schedule
NEW UTV Trailer (x20)	\$6,000.00		\$120,000.00	would replace as needed allow 1 per year
Drone (x20)	\$2,500.00		\$50,000.00	need a replacement schedule developed for the annual budget
Tools (x21)	\$5,000.00		\$105,000.00	hand tools, jacks, toolboxes, chain, camera, straps

NEW computer (x22)	\$2,000.00		\$44,000.00	three-year replace cycle; need to budget annually
OnX Map (x21)	\$30.00		\$630.00	
Cell phone- startup cost (x21)	\$500.00		\$10,500.00	phones last about 2 years would need to budget annually
Cell phone- annual cost (x21)	\$50.00	\$12,600.00		got the cost for one person's phone to use as an example
Uniform (x22)	\$200.00		\$4,400.00	WL gives all new employees \$200 in new uniform when they start. Periodically we do a division wide reorder - every couple of years
Safety Gear (x21)	\$1,000.00		\$21,000.00	estimate - and would need to allow for replacements as things age
storage unit (12'x30') (estimate 1 each for 20)	\$320.00	\$6,400.00		Based off a current unit cost. Estimate each remote staff member would need two units to store UTV and equip
office rental (estimate need 20)	\$400.00	\$8,000.00		likely on the low end
phone lines/internet charges (x22)	\$200.00	\$4,400.00		Trying to confirm this cost estimate
OCIO/Email charges (x22) month	\$60.00	\$15,840.00		per IT from 2019
GIS (x22) annual	\$1,300.00	\$28,600.00		we are going to a more expensive GIS so likely higher.
Printers (x20)	\$300.00		\$6,000.00	printers last 2-3 years so would need to annually allow for replacements
crop appraisal training (x21)	\$1,111.00	\$23,331.00		Training -annualize as staff come and go and to cover update training
Drone training/certification (x21)	\$350.00	\$7,350.00		Training -annualize as staff come and go and to cover update training
Travel		\$27,205.20		Per diem and travel
Hiring lawyer for Arbitration (average arbitration 8 Hours)	\$171.00	\$3,214,800.00		estimate 2350 claims
Damage Payment	\$1,000-\$10,000.00/claim	\$1,506,000.00		Payments on 155 of 2,500 claims
Total		\$6,903,566.77	\$2,226,530.00	

Sensitive to the statutory spending limitations assigned to each of the cash funds in Program 336, the bill as written would preclude using agency cash funds for the damage without losing agency eligibility for federal WSFR funds. Therefore, general funds should be considered.

If LB744 is intended as the funding source for LB456 there are discrepancies in the payment processes between the two bills (time limits on claim responses vs. pro rata) that would need to be reconciled.