

PREPARED BY: 
 DATE PREPARED:
 PHONE:

Mike Lovelace
 April 26, 2011
 471-0050

LB 549

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect amendments adopted through 4/26/11.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	Up to \$1,014,288	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			Up to \$1,014,288	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 549 creates the Nebraska Youth Conservation Program to provide at-risk youth with summer employment opportunities at areas run by the Game and Parks Commission. The Game and Parks Commission is charged with the responsibility to administer the program but may contract with experienced service providers or the Department of Labor as appropriate. Duties will include the application process, identification of the projects participants will work on, supervision, payment of at least the minimum wage to participants, travel arrangements, etc.

A one-time transfer of \$994,400 from the State Settlement Cash Fund to the newly created Nebraska Youth Conservation Program Fund will provide initial funding for the program. A source of on-going funding once the transferred money is spent is not specifically identified. If the intent is for the program to be on-going a General Fund appropriation will be necessary in the absence of additional transfers or the use of an alternative funding source. The Commission has provided an estimate of investment interest that will be earned on the transferred money of \$19,888 in FY12-13. However, based on the transfer occurring yet this fiscal year due to the emergency clause it appears that the investment income should be shown in FY11-12. The bill also eliminates the authority to transfer money from the State Settlement Cash Fund to the General Fund.

Based on the money available (\$1,014,288 including interest earned), the Game and Parks Commission envisions the establishment of 22 to 30 eight person crews spread around the state which equates to the employment of 176 to 240 youth. Each crew would have one Crew Leader and the program would have one overall Program Coordinator. The Commission factors in costs to rent vans for transportation of the youth as well as the purchase of tools, protective clothing, sunscreen, project supplies and other necessary items. Their estimate does not include the provision of lodging. Implementation costs are shown in FY12-13 because the Commission anticipates needing the additional time to work out the details to establish the program.

The Commission's estimates are based on maximizing the number of participants in the shortest time-frame and paints a picture of what ongoing costs would be at this level of participation. If this funding is one-time in nature the program could be scaled back to spread the available funding over more than one year. There is no basis to disagree with the Commission's estimates. Please see the Game and Parks Commission's fiscal note for additional assumptions.

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LEGISLATIVE FISCAL

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LB ⁽¹⁾ 549 AM1121 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Game and Parks Commission

Prepared by: ⁽³⁾ Patrick H. Cole Date Prepared: ⁽⁴⁾ April 19, 2011 Phone: ⁽⁵⁾ (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		994,400	994,283	19,888
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		994,400	994,283	19,888

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation creates and provides for the Nebraska Youth Conservation Program under the authority of the Nebraska Game and Parks Commission. A new fund, The Nebraska Youth Conservation Program Fund is created with its initial source of money coming from a transfer of \$994,400 from the State Settlement Cash Fund. No specific provisions for future funding is provided, although language changes to the State Settlement Cash Fund statute would enable the Attorney General to use his/her discretion for future expenditures (presumably to cover possible future transfers). Since future funding is not specifically provided for, no estimates of revenue for FY 2012-13, short of minimal interest earnings (est 2% on total), is projected.

The purpose of the program is to employ Nebraska's at-risk youth (age 16-20) on projects which contribute to conserving or developing natural resources on land and water under the jurisdiction of the Game and Parks Commission. The Commission may administer and maintain the program by itself or through a contractual arrangement with an experienced service provider or the Department of Labor. It is not thought that the Commission's responsibilities would extend beyond the funding made available in the new Fund, if they would, general funds would need to be appropriated since the agency's cash funds would be inadequate to support.

MAJOR OBJECTS OF EXPENDITURE

Personal Services

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Program Coordinator (Park Supt III) TEMP		1		7,764
Crew Leader (Park Supt I) TEMP		22		95,640
Crew Members (Park worker) TEMP		176		306,241
Benefits.....				31,338
Operating.....				553,300
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				994,283

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The program is to combine academic, environmental, and job skills training with personal growth opportunities for participants. Based on the broad objectives and similarity to the Summer Youth Employment Program administered by the Department of Labor, the Commission would likely seek to partner with the Department of Labor or another experienced service provider to implement the program. The Department of Labor has the expertise and administrative structure already in place to implement a program of this kind, including processes for selecting participants. The estimates provided here will be based on an assumption that regardless of whether or not the Commission handles everything direct or the Department of Labor or an outside firm coordinates it, the expenditure needs will be similar. Since it is unknown how much, or if, an administrative fee would be assessed by the Department of Labor or an outside entity that the Commission might work with, an amount equal to 15% of the program total will be used for estimate purposes only. Whatever the cost is, the program scope would be adjusted to accommodate.

If the Commission were to handle the program direct, a collaborative effort with the Department of Labor and the secondary school systems across the state would be necessary to develop program protocols and coordinate working rules and conditions. This effort would affect the operational time frame. Work sites might include state parks, state recreation areas, historical parks, recreational trails and wildlife management areas. The program would be implemented in the summer season, when school is out, for approximately 6 weeks.

With an estimated 15% admin fee for a 3rd party administrative group, it is estimated that approximately 176 youth could participate in this program in a given year. Twenty-two work crews of 8 each could be established around the state. Each crew would require a crew leader to coordinate and supervise daily crew activities. They would likely be hired at least one week in advance of the crew members themselves. An overall program coordinator would also be necessary to direct the establishment of the crews, line up work sites/details, coordinate selection process of crew members/leaders, collaborate with schools, train crew leaders and address logistical issues.

The bill indicates that participants (i.e. crew members) would be paid not less than minimum wage. For estimate purposes minimum wage is used for the crew members and equivalent/appropriate titled staff wages are used for the crew leaders (est at Park Supt I level) and Program Coordinator (est at Park Supt III level). In addition to wages, the bill provides for meals to be covered. It is thought that this would be the noon meal only and is estimated at \$10/each for all program members, including supervisors, for the 6-week work period only.

For the purposes of providing an estimate the following figures/assumptions are used:

Youth Conservation Program

Position/Item	Quantity	Weeks	Hours (@40/wk)	Pay/HR	OASDI	Total Cost
Program Coordinator	1	10	400	\$ 19.41	\$ 593.98	\$ 8,358.38
Crew Leader	22	7	280	\$ 15.53	\$ 7,316.47	\$ 102,956.63
Participants (crew members)	176	6	240	\$ 7.25	\$23,427.36	\$ 329,667.36
PERSONAL SERVICE TOTAL*					\$31,337.81	\$ 440,982.37
Third Party or DOL admin fee			estimated at 15% of program total			\$ 149,160.00

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Supplies and Equipment				\$/week				
Rent Vans (commercial source)	22	6	\$	495.00		\$	65,340.00	
Fuel costs	22	6		\$200		\$	26,400.00	
Hand tools, garbage bags etc	22				\$2,500/crew	\$	55,000.00	
Protective clothing (cap/shirt/gloves)	22				\$250/crew	\$	5,500.00	
Noon meals (6wks x 5 days)	199	30		\$10.00		\$	59,700.00	
Consumables (sunscreen, bugspray)	22				\$100/crew	\$	2,200.00	
Misc admin (cell phones, postage etc)						\$	10,000.00	
Supplies & Materials (e.g. paint materials, seed etc)						\$	180,000.00	
SUPPLY/MATERIALS TOTAL							\$	404,140.00
ESTIMATED TOTAL							\$	994,282.37

* Personal Services rates estimated at: minimum wage for participants, Program Coordinator similar to Park Superintendent III Crew Leader similar to Park Superintendent Iall at FY11 minimum rates

It should be noted that while TSB vehicle rental would likely be considerably less, they only have two 12-passenger vans available, so commercial rental rates are used.

Since implementing a program of this nature and scope would take considerable coordination and time, implementation costs are projected for the second year only. The costs are also based on a maximum manageable basis which also utilizes most of the funds made available by the legislation. If no additional future funding were secure, it's possible the program could be implemented on a smaller scale if continuation of the program were desired for more than one year. While the majority of the costs would be ongoing, one would expect some of the supply costs to be one-time or require a replacement schedule.

Should this legislation proceed, **we would request an A Bill** that would provide at a minimum, the authority, including PSL to match the estimates provided and at a maximum, the full fund transfer amount to provide contingency for underestimated or unforeseen costs. Since it is unknown whether or not a 3rd party would be willing to assist and at what cost, to ensure flexibility and ability to maximize participation in the program, we would request that the PSL limit be set at a minimum of \$555,783 (this would accommodate 30 crews of 8 each with accompanying crew leaders). We would request that the authority be made available for FY11-12 with full carryover, to include PSL, of any unexpended funds existing on June 30, 2012 into FY 12-13 since the most likely implementation time frame will be late June – late August 2012.

