

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	3,000,000		3,000,000	
FEDERAL FUNDS		(15,600,000)		(15,600,000)
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>3,000,000</b>	<b>(15,600,000)</b>	<b>3,000,000</b>	<b>(15,600,000)</b>

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

LB1071 establishes the Wildlife Damage Recovery Act.

Under the provisions of the act a three (3) member Wildlife Damage Recovery Council would assess potential eligibility of claimants to receive compensation for damage to farm products from within the State of Nebraska.

The bill details applicable definitions, establishes eligibility criteria for compensation, outlines powers and duties of the council and Nebraska Game and Parks Commission (NGPC) as well as processes. Additionally, the Wildlife Damage Recovery Fund (WDRF) is created. The WDRF would receive revenue in the form of a transfer from the State Game Fund each fiscal year in the amount of \$3 million, provided expressed legislative intent is adhered to. The fund would be utilized to provide compensation to eligible claimants and administer the provisions of the act.

Specific portions of the bill anticipated to have a fiscal impact are further discussed below as are estimates provided by the NGPC fiscal note (see attached).

- The bill requires at least quarterly meetings be held by the council of three (3) members and the members may be reimbursed for expenses incurred in connection with serving on the council.
  - The NGPC has estimated a total of **\$12,366** in expenditures annually for travel/lodging/meals for six (6) meetings in the fiscal year.
- The NGPC is provided with the authority to promulgate rules and regulations to carry out the Wildlife Damage and Recovery Act. Responsibilities include receiving notification from a claimant of damage, completing investigation and appraisal of damage to the claimant's farms products and providing the council with the results. The bill also indicates the commission may provide materials and services to assist in mitigating damage due to wildlife activity which may result in a claim under the act.
  - Based upon estimates provided by the agency, additional staff and equipment/supplies will be needed in order to fulfill the requirements of the act throughout the state. After review of the detailed listing of equipment/supplies, the FY21 expenditures are being modified. ½ - ton trucks were substituted for the ¾ - ton trucks, and the tools and safety gear were removed. These adjustments were made as the provisions of the bill that require NGPC to assess the damage do not appear to necessitate the items being available to the staff who will be completing the assessment. The NGPC total costs for FY21 for operations and capital outlay (start-up costs) are **\$1,647,449**. For FY22, NGPC operations costs are **\$1,070,049**.
- Compensation will be provided to claimants for financial loss sustained due to wildlife activity. Factors in determining the amount of compensation will include: 1) The extent of the damage due to wildlife, 2) The revenue the claimant derives from participation in wildlife management, the use of landowner permits, and hunter access charges, and 3) The amount available in the WDRF.
  - Estimates provided by the NGPC assume the activities delineated under the second bullet will be expenditures attributable to the WDRF as no other cash fund administered by the agency appears to have clear statutory authorization allowing for expenditures for the types of activities required under the bill. As such, the amount of funding estimated to be available for compensation in FY21 is **\$1,340,185**, and **\$1,917,585** in FY22.

- According to an opinion on the bill from the United States Department of the Interior - Fish and Wildlife Service, passage of the bill will render the NGPC ineligible to participate, and receive federal funding through the Wildlife and Sport Fish Restoration Programs due to a diversion of license revenues (defined at 50 CFR 80.20), as provided for by 50 CFR 80.10 and 80.21. The apportionment for FFY19 for the programs totals approximately **\$15.6 million**, this amount is reflected as a revenue loss each fiscal year. Additionally, current statute (37-901 & 37-903) assents to the provisions of the Wildlife and Sportfish Restoration programs requirements and prohibits the diversion of license and permit fees paid by hunters and anglers for any other purpose than the administration of the NGPC. Modification of these sections of statute may need to be considered.

Other items of note:

- 37-324 is updated to provide that a use of the funds in the State Game Fund is a transfer to the WRDF and 37-1273 updated to allow for fees collected under the State Boat Act which are earmarked for specific purposes and remitted to the State Game Fund, to also be utilized for transfers to the General Fund and the WDRF.
- The bill provides that in situations where a claimant has refused compensation or been denied compensation that a claim may be filed in the district court in the county where the damage occurred. The district court is charged with providing a certified copy of its judgement to the commission. The Supreme Court provided a fiscal note (see attached) indicating a minimal fiscal impact related to providing judicial education is present but the workload is unknown. There is no basis to disagree with their assessment.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1071	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY: Claire Oglesby	DATE: 1/30/20	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Nebraska Game and Parks Commission's statement as it appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1071	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Claire Oglesby	DATE: 2/14/20	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with the Supreme Court's fiscal impact statement.			

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2020

LB<sup>(1)</sup> 1071 Wildlife Damage Recovery Act

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Patrick H. Cole Date Prepared: <sup>(4)</sup> January 21, 2020 Phone: <sup>(5)</sup> (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$2,999,995	(\$ 3,000,000)*	\$2,999,995	(\$ 3,000,000)*
FEDERAL FUNDS		(\$ 15,619,061)		(\$ 15,619,061)
OTHER FUNDS				
TOTAL FUNDS	<u>\$2,999,995</u>	<u>(\$ 15,619,061)*</u>	<u>\$2,999,995</u>	<u>(\$ 15,619,061)*</u>

\*\$3 mill out of game and into damage fund

Explanation of Estimate:

The proposed legislation would create the Wildlife Damage Recovery Act to reimburse agricultural commodity producers for financial losses due to crop damage caused by wildlife. As part of the Act a new fund (Wildlife Damage Recovery Fund) would be created to pay for the assessed damages and a new council (Wildlife Damage Recovery Council) would be created to advise the Commission on the administration and management of the ensuing program/fund.

It is the intent of the legislation to fund the new Fund by making annual transfers of 3 million dollars from the State Game Fund. Such transfers, and subsequent use of the monies 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 \$307 million in federal dollars for fish and wildlife work in Nebraska since 1939. The current apportionment for both programs for Federal Fiscal Year 2019 is just over \$15.6 million. This and future federal apportionments would not be available. Additionally the transfer and 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 legislation identifies 3 members, one from each of 3 regions of the 8 identified commission districts to be appointed by the Governor. The council shall hold at least quarterly meetings and may be reimbursed for expenses. Assuming 6 meetings a year and each council member having to travel for the meeting, with a travel day before and one after the meeting day, its estimated that 3 days of eligible expenses and two nights lodging would be associated with each meeting. Mileage would also be an eligible expense but would vary based on council member's home location. Assuming meal expenses to be similar to GSA per diem rates for Nebraska (outside of Omaha) at \$50/day and lodging at \$96/night ((\$50x3+\$96x2)x3) and 6 meetings for an estimated \$6,156 in meal/lodging expenses annually plus mileage reimbursement. Current mileage reimbursement is \$0.575/mile assuming a total of 600 miles roundtrip total for the 3 members and 6 meetings, that expense could be another \$6,210 annually.

The commission would have responsibilities of providing administrative support to the council as well as administering the program and fund. Program administration would include investigating and appraising damage claims by producers. The damage assessment would be reviewed and approved or denied by the council, or the council could make a separate determination of damages. A claimant that is not satisfied with the ruling could file an action for damages in the county or district court of the county.

Administrative activities of the damage program would add expenses and personnel needs not currently covered by the commission. The following are estimated staffing and operational expenses expected to implement the required needs of the program should it become law. These are in addition to current agency

expenditures responding to depredation complaints and providing abatement assistance. The inspection and appraisal process proposed in this legislation would be significantly more comprehensive and would require specialized training to accomplish in a professional and impartial manner with acceptable standards in the crop assessment industry. Since the positions needed would be stationed across the state, it is anticipated that office and storage space may need to be rented; office supplies, vehicles, and operating expenses would need to be accommodated. Many of the equipment costs will require replacement at some point for future budgets. For purposes of this fiscal note it is assumed that all expenditures would come from the new Wildlife Damage fund and all available dollars for damage payments would be spent annually.

	HRLY/base	ANNUAL	1X start up	NOTES
Program Manager (x1)	27.227	\$ 56,632.16		Min Perm rate
Biologist II (x8)	23.408	\$ 389,509.12		Min Perm rate
Admin Assistant I (x1)	15.861	\$ 32,990.88		Min Perm rate
Benefits (OASDI)	0.0765	\$ 36,653.61		
Benefits (Retire)	0.075	\$ 35,934.91		
Benefits (Insurance)	25290.5	\$ 252,905.00		family coverage
Staff Travel	\$10,000	\$ 10,000.00		standard travel expenditures
3/4 ton PU New (x9)	\$45,000		\$405,000	would replace one per year per our schedule
3/4 ton annual cost (x9)	\$8,625	\$ 77,625.00		based off mileage of 15,000 miles per year using the federal mileage rate of \$.575/ mile
NEW UTV (x9)	\$20,000		\$180,000	would replace one per year per our schedule
NEW UTV Trailer (x9)	\$6,000		\$54,000	would replace as needed allow 1 per year
Drone (x9)	\$2,500		\$22,500	would need a replacement schedule developed for the annual budget
Tools (x9)	\$10,000		\$90,000	hand tools, jacks, fencing tools, tool boxes, chain saw,
Depredation materials for hand out	\$15,000	\$ 135,000.00		\$88,000 is average annual cost currently. Estimated that this would increase. For fencing supplies & scare devices.
NEW computer (x10)	\$2,000		\$20,000	replace these on a three year cycle- so we would need to budget annually
OnX Map (x9)	\$20	\$180		
Cell phone- start up cost (x9)	\$500		\$4,500	phones last about 2 years would need to budget annually
Cell phone- annual cost (x9)	50	\$ 5,400.00		got the cost for one person's phone to use as an example
Uniform (x10)	\$200		\$2,000	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 (x9)	\$1,000		\$9,000	estimate - and would need to allow for replacements as things age

storage unit (12'x30') (estimate 2 each for 5)	\$320	\$ 3,200.00		est is based off a current unit cost. Estimate each remote staff member would need two units to store UTV and equip
office rental (estimate need 5)	\$400	\$ 2,000.00		this is likely on the low end
phone lines/internet charges	\$200	\$ 2,000.00		Trying to confirm this cost estimate
OCIO/Email charges (x10) mo	60	\$ 7,200.00		per IT from 2019
GIS (x10) annual	\$1,300	\$ 13,000.00		we are going to a more expensive GIS so likely higher.
Printers (x8)	\$300		\$2,400	printers last 2-3 years so would need to annually allow for replacements
crop appraisal training (x9)	\$1,111	\$ 9,999.00		Training- probably need an annual allotment as staff come and go and to cover update training
Damage payments		\$ 1,128,000		Would maximize with available funds after expenses paid
Council Expenses (travel)		\$12,366.00		Per diem and travel
		\$ 2,210,595.68	\$789,400	\$2,999,995.68 total

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2020-21	2021-22
	20-21	21-22	EXPENDITURES	EXPENDITURES
Program Manager	1	1	\$56,632.16	\$56,632.16*
F&W Biologist II	8	8	\$389,509.12	\$389,509.12*
Admin Assistant I	1	1	\$32,990.88	\$32,990.88*
Benefits.....			\$325,493.52	\$325,493.52*
Operating.....			\$255,604	\$255,604
Travel.....			\$22,366	\$22,366
Capital outlay (1x equip/material).....			\$789,580	
Aid.....damage payments.....			\$1,128,000	\$1,917,580
Capital improvements.....				
<b>TOTAL.....</b>			<b>\$2,999,995.68</b>	<b>\$2,999,995.68</b>

\*plus raises

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**2020**

**LB<sup>(1)</sup> 1071**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/12/20 Phone: <sup>(5)</sup> 1-4138

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Minimal fiscal impact to provide judicial branch education. Any potential impact on judicial workload is unknown at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____