

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,744,158		\$1,753,370	
CASH FUNDS	\$7,624,097	(\$332,741)	\$5,479,938	(\$332,741)
FEDERAL FUNDS		*See below		*See below
OTHER FUNDS				
TOTAL FUNDS	\$9,368,255	(\$332,741)	\$7,233,308	(\$332,741)

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

LB456 instructs the Nebraska Game and Parks Commission (NGPC) to establish a process for handling, investigating, and paying approved compensation claims for property damage caused by wild or feral elk or mountain lions. This bill stipulates a time frame within which claims must be handled, along with a system for arbitration of partially paid or denied claims. In addition, LB456 grants counties the authority to hire a wildlife service agent to control the wild or feral elk and mountain lion populations by any means necessary to stop significant damage, within their own county. These counties may use federal funding, including funds from the U.S. Department of Agriculture to pay for their wildlife services agent. Also, LB456 removes applicable criminal charges and civil action against the wildlife service agent, when they are acting in an official capacity.

Expenditures:

The Nebraska Game and Parks Commission (NGPC) has indicated they would need to hire 22 additional full-time (FTE) workers if LB456 were to pass. They would need 1 FTE Program Manager, 1 FTE Administrative Program Officer I, and 20 FTE Biologist II positions to perform the administrative and investigatory functions of this proposed compensation program. Total salaries and benefits for these 22 FTE would be \$1,876,541 in FY2023-24 and \$1,955,912 in FY2024-25.

In addition, there would be one-time startup costs for these new personnel including: 21 new ¾ ton trucks, 20 new UTVs, 20 new UTV trailers, 20 new drones, 21 new tools, 22 new computers, 21 new OnX maps, 21 new cell phones, 22 new uniform allowances, 21 sets of safety gear, 20 storage units for UTV/equipment storage, 20 office rentals, 22 phone line/internet charges, 22 OCIO/email charges, 22 annual GIS, 20 printers, and training for 21 FTE (crop appraisal, drone training/certification). Then, there would be annual costs after the one-time startup costs associated with a new program. In addition, there would be lawyers hired for arbitration, and travel. The total operating, travel, and capital outlay costs would be estimated at \$5,747,556 in FY2023-24 and \$3,524,026 in FY2024-25 (see NGPC fiscal note attached for more detailed information).

The number of personnel required is based on an approximation of 2,500 claims being brought for investigation, of which NGPC is estimating 1,500 would be elk claims and another 1,000 mountain lion claims. NGPC is speculating around 150 elk claims might be paid (based on the number of landowners over the years where NGPC has seen damage) and 5 mountain lion claims (based on the highest number of substantiated animals that NGPC has identified being from mountain lion depredation in one year). NGPC has based their potential average claim damages for elk claims at around \$10,000 per claim and \$1,000 per animal for mountain lion claims. The agency has calculated the potential costs of paying around 155 claims payments of between \$1,000-\$10,000 each to be estimated as \$1,506,000 expense yearly.

The NGPC has stated LB456 does not specify the source of the funding to pay the claims nor operating costs. NGPC is stating that the Game cash fund cannot be used to pay these bounties, as 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. Hence, Game cash funds could not be used as it would result in an estimated loss of federal funding of approximately (\$22,800,000) from the WSFR Programs (see NGPC fiscal note attached).

Potential loss of Federal Funds is not reflected in the boxes above, as claim payments are assumed from General Funds.

The Nebraska Attorney General has indicated if LB456 were to pass, it could have considerable impact on their agency, if the potential number of claim estimates from NGPC came to fruition. The agency would need to hire 2 additional attorneys, with total salaries and benefits expenditures expected to be \$238,158 in FY2023-24 and \$247,370 in FY2024-25.

The Nebraska Supreme Court has specified LB456 may increase their district court workload related to arbitration, for which they would not need additional resources.

Revenues:

NGPC has specified as counties would manage elk and mountain lions, there would likely be a reduction in the number of elk permits and elimination of mountain lion permits used for population maintenance. The agency stated they issued following during the 2022 Big Game Season: 917 Elk permits, 6,260 Elk applications, 615 bonus/preference points, and elk auction permits resulting in \$410,341.00 in revenue. They are anticipating the sustainable permit level would be at least 90% lower and auction permits would cease to exist. Applications, bonus/preference points would remain, estimating an 80% decrease in revenue. There were 393 Mountain Lion Lottery applications generating \$5,895 resulting in 200 permits. It is anticipated a 100% reduction in mountain lion permits. NGPC would anticipate a revenue loss of (\$326,846) for elk and (\$5,895.00) for mountain lion permits, for a total revenue loss of (\$332,741) in both FY2023-24 and FY2024-25.

Lancaster County has stated no fiscal impact.

Other than not including the potential (\$22,800,00) loss of federal U.S. Fish and Wildlife Service funds, there is no basis to disagree with the NGPC fiscal impact estimate which appears reasonable.

There is no basis to disagree with the Nebraska Attorney General, Nebraska Supreme Court, nor the Lancaster County estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 456	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY:	Jacob Leaver	DATE: 2/2/2023	PHONE: (402) 471-4173
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 reoccurring 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.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 456	AM:	AGENCY/POLT. SUB: Attorney General	
REVIEWED BY:	Jacob Leaver	DATE: 1/26/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Attorney General's estimated fiscal impact to the agency as a result of LB 456.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 456	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY:	Jacob Leaver	DATE: 2/6/2023	PHONE: (402) 471-4173
COMMENTS: The Supreme Court's estimate of insignificant fiscal impact to the agency as a result of LB 456 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 456 AM: AGENCY/POLT. SUB: Lancaster County

REVIEWED BY: Jacob Leaver DATE: 1/18/2023 PHONE: (402) 471-4173

COMMENTS: No basis to dispute Lancaster County's estimate of no fiscal impact to the county as a result of LB 456.

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 456 – Compensation for Elk and Mountain Lion Damage

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kay Mencl Date Prepared: ⁽⁴⁾ 1/27/2023 Phone: ⁽⁵⁾ (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	<u>1,506,000</u>	<u></u>	<u>1,506,000</u>	<u></u>
CASH FUNDS	<u>7,624,097</u>	<u>(332,741)</u>	<u>5,479,938</u>	<u>(332,741)</u>
FEDERAL FUNDS	<u></u>	<u>(22,800,000) *</u>	<u></u>	<u>(22,800,000) *</u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>9,130,097</u>	<u>(23,132,741)</u>	<u>6,985,938</u>	<u>(23,132,741)</u>

Explanation of Estimate:

The proposed legislation would direct NGPC to provide monetary compensation on approved claims of property damage caused by elk or mountain lions. The bill also grants authority to individual counties to manage elk and mountain lion populations within the county when a portion of the cost to hire a wildlife service’s agent is provided from Federal sources.

The commission is further directed to adopt and promulgate rules and regulations for reimbursing claimants for damages. The commission is to pay compensation claims filed pursuant to the rules and regulations on an ongoing basis.

No source of the funds to pay the claims is specified. A separate bill (LB744) has been introduced, which would appropriate \$10 Million of Cash Funds for payments on a pro rata basis but does not include additional operating costs. IF the Game cash fund is the intended funding source, the use of those funds as payment 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. 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. If the intent is to provide General Funds for this program, this would not be an issue.

* 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	<u>1</u>	<u>1</u>	<u>57,766</u>	<u>60,654</u>
Biologist II	<u>20</u>	<u>20</u>	<u>997,318</u>	<u>1,047,184</u>
Administrative Program Officer I	<u>1</u>	<u>1</u>	<u>38,888</u>	<u>40,832</u>
Benefits.....			<u>782,569</u>	<u>807,242</u>
Operating.....			<u>3,530,351</u>	<u>3,496,821</u>
Travel.....			<u>\$27,205.20</u>	<u>\$27,205.20</u>
Capital outlay.....			<u>2,190,000</u>	<u></u>
Aid.....GENERAL FUNDS.			<u>1,506,000</u>	<u>1,506,000</u>
Capital improvements.....			<u></u>	<u></u>
TOTAL.....			<u>9,130,097</u>	<u>6,985,938</u>

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

This would come out of our game fund dollars (with no federal aid reimbursement), the estimated \$1,505,000.00 for damage payments to landowners would presumably come from LB744, the rest would have to come from our existing authority.

With counties allowed to manage the mountain lions and elk within their borders, it is estimated NGPC would essentially reduce the elk permits and eliminate the mountain lion permits to maintain desired healthy populations. In the 2022 Big Game Season, NGPC issued 917 Elk permits, 6,260 Elk applications, 615 bonus/preference points, and elk auction permits resulting in \$410,341.00. It is anticipated our sustainable permit level would be at least 90% lower and auction permits would cease to exist. Applications, bonus/preference points would remain, estimating an 80% decrease in revenue. There were 393 Mountain Lion Lottery applications generating \$5,895 resulting in 200 permits. It is anticipated a 100% reduction in mountain lion permits. Total revenue lost for (Elk) \$326,846.00 + (Mountain Lion) \$5,895.00 = \$332,741.00

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 using the 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	would 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	replace these on a three-year cycle- so we would 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		this is 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- probably need an annual allotment as staff come and go and to cover update training

Drone training/certification (x21)	\$350.00	\$7,350.00		Training- probably need an annual allotment 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	

Eligibility Standards for WSFR Wildlife Restoration in 521 FW 1, Section 1.9 B, and states that the State Fish and Wildlife agency must have management authority over the animals in question if license revenue is used to pay for wildlife damage management. This bill would delegate that authority to counties in statute, which would constitute a diversion of funds under Section 1.10 A (2) if license funds if any payments were made using license funds.

Considering that the funding source is not clearly identified and sensitive to the statutory spending limitations assigned to the State Game fund (37-324), and regarding federal funding eligibility and reimbursement (37-901 through 37-903), the bill as written would preclude using game cash funds for the damage payments. Therefore, general funds should be considered as the funding source and an A bill would be requested.

The proposed level of cash fund expenditure would not be sustainable within the Game Fund balance if any assemblance of ongoing work is expected.

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2023

LB⁽¹⁾ 456

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Justin Lavene Date Prepared: ⁽⁴⁾ 1-25-23 Phone: ⁽⁵⁾ 402-471-2687

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	<u>238,158</u>	<u> </u>	<u>247,370</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>238,158</u>	<u> </u>	<u>247,370</u>	<u> </u>

Explanation of Estimate:

LB456 could have considerable impact on this agency. If potential new claims are as significant as estimated by Game and Parks, the amount of Attorneys needed to handle potential new claims filed against the state for damages to property, would increase to 8 attorneys.

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>
Assistant Attorney General	<u>2.0</u>	<u>2.0</u>	<u>160,000</u>	<u>168,000</u>
Benefits.....			<u>78,158</u>	<u>79,370</u>
Operating.....			<u> </u>	<u> </u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>238,258</u>	<u>247,370</u>

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2023

LB⁽¹⁾ 456

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/4/2023 Phone: ⁽⁵⁾ 402-326-9215

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB456 may affect district court workload related to arbitrator appointment and decisions. However, any impact is not estimated to be significant. Minor fiscal impact for judicial education and forms development. No additional resources required.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2023

LB⁽¹⁾ 456

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ County of Lancaster

Prepared by: ⁽³⁾ David Derbin Date Prepared: ⁽⁴⁾ 1/17/2023 Phone: ⁽⁵⁾ 4024416865

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact.

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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____