

PREPARED BY:
DATE PREPARED:
PHONE:

Mike Lovelace
February 15, 2011
471-0050

LB 392

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	204,664	155,250	339,329	310,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	204,664	155,250	339,329	310,500

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

LB 392 creates the Aquatic Invasive Species Program and gives the responsibility for implementation of the program to the Game and Parks Commission.

A \$30 aquatic invasive species stamp to be paid by operators of vessels registered outside Nebraska is created and the registration fees on vessels registered inside the state are increased. The bill earmarks 20% of all boat registration fees collected and all of the stamp revenue to provide funding for the program.

According to the Commission, anticipated revenue from the \$30 stamp is \$100,530 annually based on the sale of 3,351 stamps. They believe this to be a conservative estimate.

The additional revenue from the increase in boat registration fees is estimated to be \$209,970 annually.

Combined, the new revenue to be deposited annually into the State Game Fund for program funding is projected to be \$310,500. I would point out that 20% of boat registration fees plus the revenue from the stamp which are earmarked to implement this program amount to \$336,050, which means that \$25,550 of current funding will be redirected annually from other activities to fund this new program. Note that the FY11-12 revenue projection reflects the delayed imposition of the new fees until January 1, 2012 to coincide with the calendar year registration of boats.

The implementation details are left to the Game and Parks Commission but in general include the testing of waters for invasive species, inspection of and decontamination of boats and trailers, education of the public, research, and potential invasive species removal projects. The Commission envisions hiring seasonal employees and a program administrator as well as using current staff for inspection and decontamination activities at select bodies of water. Equipment, supplies and travel costs will be incurred. Education and research components may include signage, media purchases and contracts with the University of Nebraska. Total costs are estimated at approximately \$330,000 per year which is comparable to the \$336,000 of earmarked revenue. The Commission indicates that grant funding and partnerships will be sought to help with the potential expenses. The first year costs identified reflect the delayed implementation until 2012 but do include significant one-time costs for equipment. The Commission's estimates appear to be reasonable.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	2/8/11	PHONE 471-2526
COMMENTS			
GAME AND PARKS COMMISSION – I have no basis to disagree with agency statements.			

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LB ⁽¹⁾ 392 FISCAL NOTE

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LEGISLATIVE FISCAL

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

Prepared by: ⁽³⁾ Patrick H. Cole Date Prepared: ⁽⁴⁾ January 23, 2011 Phone: ⁽⁵⁾ (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	204,664	155,250	339,329	310,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>204,664</u>	<u>155,250</u>	<u>339,329</u>	<u>310,500</u>

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

Explanation of Estimate:

The proposed legislation establishes the Aquatic Invasive Species Program under the authority of the Nebraska Game and Parks Commission (Commission) and establishes funding sources for the program. The Commission is charged with promulgating rules and regulations that would provide for the inspection, impoundment and decontamination of conveyances capable of introducing and transporting aquatic invasive species, as well as the identification of said species. Aquatic invasive species are defined as being those exotic or nonnative aquatic organisms, as identified by the Commission, that pose a significant threat to the aquatic resources, water supplies, or water infrastructure of this state.

Activities and functions of the program would be funded by twenty percent of the boat registration fees collected pursuant to 37-1214 and a newly created/required Aquatic Invasive Species (AIS) Stamp imposed on nonresident boats brought into the state. The boat registration fees are proposed for an approximate twenty percent fee increase to provide program funding.

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MAJOR OBJECTS OF EXPENDITURE

Personal Services

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Seasonal Employees (technicians/biologists)	16	16	75,520	151,040
Program Specialist	1	1	24,346	48,693
Benefits.....			14,298	28,596
Operating.....			47,500	95,000
Travel.....			3,000	6,000
Capital outlay.....			40,000	10,000
Aid.....				
Capital improvements.....				
TOTAL.....			<u>204,664</u>	<u>339,329</u>

LB ⁽¹⁾ 392 **FISCAL NOTE**

The identified funding mechanisms are estimated to generate \$336,050 annually for the program (20% share of boat registrations under new fee structure and nonresident AIS stamp), of which \$310,500 is new money (\$209,971 boating fee increase and \$ 100,530 nonresident AIS stamp) details as follows:

Revenue projections

VESSEL	Class 1	Class 2	Class 3	Class 4	TOTAL
Ave Annual #	11,474	15,028	167	10	26,679
current fee	\$ 23.00	\$ 46.00	\$ 67.50	\$ 15.00	
new fee	\$ 28.00	\$ 56.00	\$ 80.00	\$ 38.00	
Current ave annual \$	\$263,902.00	\$691,303.33	\$11,272.50	\$1,150.00	\$ 967,627.83
New ave annual \$	\$321,272.00	\$841,586.67	\$13,360.00	\$1,380.00	\$1,177,598.67
NEW REVENUE	\$ 57,370.00	\$150,283.33	\$ 2,087.50	\$ 230.00	\$ 209,970.83
20% of new fee total	\$ 64,254.40	\$168,317.33	2,672.00	276.00	235,519.73

Nonresident AIS Stamp Revenue estimate

Est number nonresident boats annually	3,351	Program	
Annual Fee	\$ 30.00	\$	\$ 336,049.73
NEW Annual revenue	\$100,530.00	new rev \$	\$ 310,500.83

Program implementation expenditure expectations.

The proposed legislation leaves much of the detail of the Aquatic Invasive Species (AIS) Program implementation up to rules and regulations to be promulgated by the Commission. The Commission's intent is to hire seasonal employees, a program administrator and utilize other existing permanent staff to coordinate/conduct inspections of conveyances (primarily boats) at select water bodies and to perform the necessary decontamination activities to ensure aquatic invasive species are destroyed and thus prevented from spreading. This component will require monies for the program administrator (1FTE) plus seasonal staff wages and benefits, decontamination equipment and supplies, as well as travel related expenses (vehicle fuel, room and board etc).

The program would have an education and research component requiring outreach materials, signs, media purchases, and probable contract/agreement expenses with the University of Nebraska for research personnel.

The funding mechanism identified in this legislation is expected to only partially fund the initial program implementation efforts. Other matching grants and partnerships would be sought to meet the minimal annual effort costs of approximately \$330,000 per year. Depending upon the level of infestation and/or treatment needs identified the cost could increase over time.

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2011

LB ⁽¹⁾ 392 FISCAL NOTE

An A-Bill would be requested to meet the following projected budget needs:

Program Administrator (F&W Prog Specialist @23.41/hr) \$48,693 wages, \$17,042 benefits (OASDI/Ret/Ins)
Seasonal Staff – 16 positions (20 weeks/yr @ \$11.80 hour) \$151,040 wages \$11,554 OASDI (ANNUAL)
Equipment (4 decontamination units est \$10,000 ea) \$40,000 (ONE TIME, unless more units needed)
Contractual Services (UNL research/Outreach) \$25,000 (ANNUAL)
Supplies/Materials (vehicle fuel, signs, printed ed material, AIS STAMPS) \$ 70,000 (ANNUAL)
Travel Expenses \$6,000 (ANNUAL)

Estimated minimal annual recurring expenses \$329,329. One-time equipment \$40,000 YEAR 1 possibly \$10,000 after that.

It's anticipated that the revenues would begin in Calendar year 2012 to coincide with typical boat registration protocol and for simplification one-half the annually expected revenue would be attributed to FY11-12, with a full years revenue attributed to FY12-13. Implementation of the program field components (i.e. expenditures) are likewise prorated with the exception of the major equipment purchase being in FY11-12.

It should be noted that the number of nonresident boats is a conservative minimal estimate. It is quite likely the numbers are low so the revenue could be significantly higher. However, it should also be noted that program expenses would include water body treatments to eliminate or control invasive species determined to be present. These treatment activities could be quite expensive, hundreds of thousands of dollars, depending upon the species, the estimated size and age structure of the infestation as well as the size of the water body.