

Fiscal Estimate - 2019 Session

Original
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 Corrected
 Supplemental

LRB Number 19-1492/1	Introduction Number SB-587	
Description the disability rating at which veterans qualify for certain hunting and fishing authorizations and exemptions from state park and trail admission fees		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS		
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Fiscal Estimate Narratives

DNR 1/22/2020

LRB Number	19-1492/1	Introduction Number	SB-587	Estimate Type	Original
Description the disability rating at which veterans qualify for certain hunting and fishing authorizations and exemptions from state park and trail admission fees					

Assumptions Used in Arriving at Fiscal Estimate

The bill modifies the disability rating required for a disabled veteran to qualify for certain authorizations issued by the Department and for exemptions from certain admission fees. Under current law, the qualifying disability rating is either 50 or 70 percent depending on the authorization or exemption. The bill provides for a qualifying disability rating of 30 percent for these authorizations and exemptions.

State Fiscal Effect

A. Parks Account

1. Assumptions

The fiscal impact was estimated using data from the current database of disabled veteran passes issued by DNR, annual vehicle admission passes sold annually, daily vehicle admission passes sold annually, annual State trail passes sold annually, daily State trail passes sold annually, U.S. Department of Veterans Affairs data, and U.S. Census Bureau data.

According to data from the U.S. Department of Veteran Affairs:

- a. 23,465 Wisconsin resident disabled veterans are receiving disability compensation benefits for a 70% or greater service-connected disability rating; and
- b. 48,259 Wisconsin resident disabled veterans are receiving disability compensation benefits for a 30% or greater service-connected disability rating, including the 23,465 veterans above;

Using the current 9,400 disabled veteran passes issued by DNR, it is estimated 40% of eligible disabled veterans at 70% rating currently have a Wisconsin disabled veteran pass. This 40% participation rate is used to calculate the estimated number of increased passes that will be requested if the rating is lowered to 30%: $48,259 - 23,465 = 24,794$ x 40.06% = 9,932 additional passes

2. Revenues

Based on the aforementioned assumptions, the Department estimates the corresponding revenue reduction as follows:

- a. 9,932 fewer annual resident vehicle admission stickers x \$28 = \$278,100;
- b. 2,005 fewer annual resident reduced-rate second-vehicle admission stickers x \$15.50 = \$31,100;
- c. 1,957 fewer daily resident vehicle admission stickers x \$7.85 = \$15,400;
- d. 1,615 fewer annual trail passes x \$25 = \$40,400;
- e. 318 fewer daily trail passes x \$5 = \$1,600;
- f. Total estimated annualized reduction of revenue = \$366,600

3. Costs

Assuming an increase of 9,932 passes and Department staff time of 10 minutes per pass to review, enter data, print and mail cards: the Department estimates an increase of 1,600 hours of staff time x \$32.63 (\$22 per hour plus fringe benefits) for a one-time cost of \$52,200 to process the additional applications, with an indeterminate

continued costs as the program continues into the future.

B. Fish & Wildlife Account

1. Assumptions

Decreasing the minimum disability rating percentage required to purchase the resident disabled veteran annual fishing license, the resident disabled veteran recreation card, and the disabled veteran spring turkey harvest authorization would increase the number of resident veterans eligible for these approvals at the discounted fee.

According to data from the U.S. Department of Veteran Affairs:

- a. 23,465 Wisconsin resident disabled veterans are receiving disability compensation benefits for a 70% or greater service-connected disability rating;
- b. 34,609 Wisconsin resident disabled veterans are receiving disability compensation benefits for a 50% or greater service-connected disability rating, and;
- c. 48,259 Wisconsin resident disabled veterans are receiving disability compensation benefits for a 30% or greater service-connected disability rating.

Using the number of disabled veterans that were eligible to purchase hunting and fishing license products based on their disability rating, a participation rate can be calculated by dividing the average number of each discounted product purchased annually by the number of eligible disabled resident veterans. Nearly 5% of eligible disabled resident veterans purchased the disabled veteran recreation card for the discounted \$7 fee, less than 1% of eligible disabled resident veterans purchased a spring turkey harvest authorization for the \$10 fee and just over 15% of eligible disabled veterans purchased the disabled veteran fishing license for the discounted \$3 fee.

Lastly, the Department assumes that current purchase rates for these products would remain constant over time (i.e. the same percentage of newly-eligible resident disabled veterans would purchase the discounted resident disabled veteran products as they had in previous years).

2. Revenues

a. Increased Revenue

The Department estimates nearly 650 additional disabled resident veterans would purchase a disabled veteran recreation card, nearly 3,740 additional disabled resident veterans would purchase a resident annual disabled fishing license, and 11 more disabled resident veterans would exercise the option to acquire a spring turkey harvest authorization for any management zone or time period regardless of inventory.

Revenue could increase by approximately \$15,900 annually $[(648 \text{ additional recreation cards} * \$7) + (3,739 * \$3) + (11 * \$10) = \$15,863]$ from the sale of additional resident disabled veteran products.

b. Decreased Revenue

Assuming purchase rates remain constant and newly-eligible resident disabled veterans previously purchased each approval included in the disabled veteran products, revenue would decrease by \$84 for each disabled veteran recreation card sold (\$91 if all approvals included in recreation card package purchased separately – \$7), \$0 for each disabled veteran spring turkey permit sold (no fee discount) and \$17 for each annual disabled veteran fishing license sold (\$20 – \$3).

In total, revenue could decrease as much as \$118,000 annually $[(648 * \$84) + (11 * \$0) + (3,739 * \$17)]$.

c. Caveats

The revenue impact to the Fish & Wildlife account is subject to variability since the Department cannot predict the discounted products disabled resident veterans may purchase nor does the department have the capacity to analyze disabled veteran historical buying behavior since it does not currently maintain disability ratings within customer accounts.

3. Costs

- a. Modifying licensing system: 40 hrs. * \$50/hour (average business analyst rate plus applicable fringe) = \$2,000
- b. Updating web pages, agent resources and public communication materials: 32 hrs. development * \$50/hr. (average policy advisor rate plus applicable fringe) = \$1,600
- c. Training Customer Service Representatives (CSR) staff:
[20 hrs. training development * \$50/hr. (average policy advisor rate plus applicable fringe)] + [1 hr. * 100 CSRs * \$24/hr. (average CSR rate plus applicable fringe)] = \$3,400
- d. Total one-time implementation costs = \$7,000 (\$2,000 + \$1,600 + \$3,400)

Long-Range Fiscal Implications

Long-term revenue loss for the Parks Account could increase to the extent that park attendance continues to rise or if pricing changes for park and trail passes.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 19-1492/1	Introduction Number SB-587	
Description the disability rating at which veterans qualify for certain hunting and fishing authorizations and exemptions from state park and trail admission fees		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): One-time cost of \$52,200 for the Bureau of Parks & Recreation to process exemption applications, plus one-time cost of \$7,000 for the Bureau of Customer and Outreach Services to implement hunting and fishing license modifications.		
II. Annualized Costs:		Annualized Fiscal Impact on funds from:
		Increased Costs Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S	15,900	-484,600
TOTAL State Revenues	\$15,900	\$-484,600
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$-468,700	\$

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Date

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