

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE
 DOA-2048 N(R10/94)

Subject
 Limiting Administrative Expenses Paid from the Fish and Wildlife Account and Creating New Conservation Warden Positions

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Government Units Affected:
 Towns Villages Cities
 Counties WTCS Districts
 School Districts Others

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

(1), (3), (4), (8) & (9)(mu)

Assumptions Used in Arriving at Fiscal Estimate

SUMMARY OF BILL - LRB-3062/2 contains two separate provisions. One provision creates 4.0 new full-time conservation wardens for the Department of Natural Resources. The second provision sets a limit on the amount of fish and wildlife conservation SEG which the Department can spend on administrative expenses.

FISCAL ESTIMATE

Conservation Warden Positions. The legislation creates 4 new conservation warden positions. Costs for the new positions include both one-time start-up costs and on-going costs. Start-up costs include new recruit training, firearms training, and equipment such as a vehicle, radio, and uniforms; these costs are estimated at \$24,700 per warden. On-going costs include salary, fringe, overtime, and support such as travel, maintenance, telephone and other supplies; these costs are estimated at \$67,900 per warden. Total one-time cost for 4.0 positions is \$98,800. Total on-going cost for 4.0 positions is \$271,800.

Limiting Administrative Expenses Funded from Fish and Wildlife SEG. The legislation caps the amount of fish and wildlife SEG which the Department may spend annually on administrative costs, including "any charges for the administration of the department and its subunits." The total amount which the Department may expend for any fiscal year from the fish and wildlife account of the conservation fund for administrative costs may not exceed 10% of total expenditures from that account for that fiscal year.

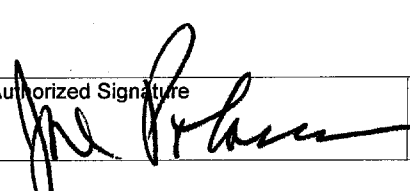
In FY 1999, the Legislative Audit Bureau conducted a review of the Department's use of fish and wildlife funds. The analysis was based on revenues and expenditures in FY 97. Figures from the LAB audit are used in this fiscal analysis.

The LAB audit used two definitions of administrative expenses. Both definitions included division administration and license administration. One definition included bureau administration and one did not. The audit generated some discussion and debate as to what costs should be included in administration and what should not. For example, should the direct sales of licenses be included as a part of administration? Since LRB-3062/2 only specifies that administration includes "administration of the department and its subunits," this fiscal estimate provides an upper and lower estimate of the potential fiscal impact.

Using figures from the LAB audit findings, the Department spends between 15.7% and 25.4% of fish and wildlife expenditures on administrative expenses. If bureau administration and license administration are excluded, the Department spent \$7,909,200 (15.7%) in FY 97. If only bureau administration is excluded, the Department spent \$11,616,600 (23%) on administrative expenses in FY 97. If all subunit administration is included--bureau, division and license administration, the Department spent \$12,829,400 (25.4%) on administrative expenses in FY 97. These figures compare to fish and wildlife account

Long-Range Fiscal Implications

The administrative funding cut would have a significant long-range impact on administrative services. It would require elimination of positions that currently provide front-line field supervision, financial accounting, legal counsel, vehicle fleet management, employee safety, information technology support, aids administration, and license sales.

Agency	Prepared By	Phone No.	Authorized Signature	Phone No.	Date
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Assumptions Used in Arriving at Fiscal Estimate

expenditures of \$50,426,200 in FY 97.

A 10% cap would equal \$5,042,600. At FY 97 spending levels, this cap would require an annual reduction of between \$2,866,600 and \$7,786,800. A reduction of this magnitude would equal between 36% and 61% of FY 97 expenditures. The reduction would require eliminating between 53 FTE and 144 FTE within administration. Depending upon the actual number of FTE, the Department would eliminate the positions through vacancies or lay-offs of filled positions or a combination of both.

NOTE: On page 2 of LRB-3062/2, Section 2 is explained in the Note as a provision which "limits the administrative expense expenditures of the fish and wildlife account of the conservation fund to 10% of funds in that account." The proposed language actually limits administrative expenditures to 10% of *total expenditures* within the same fiscal year, not to 10% of the funds in the account.

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/94)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.	Amendment No.
LRB 99-3062/2	AR 492

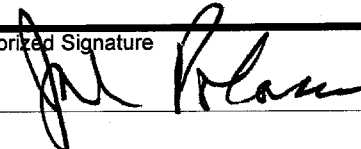
Subject
Limiting Administrative Expenses Paid from the Fish and Wildlife Account and Creating New Conservation Warden Positions

I. One-Time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$98,800 one-time training and supplies for 4.0 warden positions

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
A. State Costs by Category	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$215,800	(\$2,707,300) - (\$7,354,200)
(FTE Position Changes)	4.0	(53.0) - (144.0)
State Operations - Other Costs	56,000	(\$159,300) - (\$432,600)
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$271,800	(\$2,866,600) - (\$7,786,800)
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR		
FED		
PRO/PRS		
SEG/SEG-S	\$271,800	(\$2,866,600) - (\$7,786,800)
III. State Revenues:	Increased Rev.	Decreased Rev.
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes		
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues		

NET ANNUALIZED IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	(\$2,594,800) - (\$7,515,000)	\$0
NET CHANGE IN REVENUES		\$0

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