

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 03-3270/1 | Introduction Number SB-394 |
|------------------------------------|--|

Subject
 Information about Stewardship properties

Fiscal Effect

State:

| | | |
|---|--|---|
| <input type="checkbox"/> No State Fiscal Effect | <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"/> Indeterminate | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Decrease Costs |
| <input type="checkbox"/> Decrease Existing Appropriations | | |
| <input type="checkbox"/> Create New Appropriations | | |

Local:

| | | |
|--|--|--|
| <input 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"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | |

| | |
|---|---------------------------------------|
| 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 20.370(1)(mu) | |

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| Agency/Prepared By DNR/ Joe Polasek (608) 266-2794 | Authorized Signature Joe Polasek (608) 266-2794 | Date 2/18/2004 |
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Fiscal Estimate Narratives
DNR 2/18/2004

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|--|-----------------------------------|-------------------------------|
| LRB Number 03-3270/1 | Introduction Number SB-394 | Estimate Type Original |
| Subject Information about Stewardship properties | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill includes four new requirements for the Department relative to the Warren Knowles-Gaylord Nelson Stewardship 2000 program. They are: 1.) The development of a web-based mapping tool to help the general public locate lands acquired with Stewardship funds; 2.) A printed map directory of all lands purchased with Stewardship funds; 3.) A requirement that all lands acquired with Stewardship funds be open to the general public with certain exceptions; and 4.) A requirement that all lands acquired with Stewardship funds be signed so as to identify the owner of the land, and to identify public use restrictions of the land. The assumptions used in arriving at the fiscal costs of this bill are addressed in this order.

1.) Web-based mapping tool. The Department began digitizing the legal description of all of its real estate holdings approximately 7 years ago. This effort was funded with SEG funds allocated to the Bureau of Facilities and Lands. Approximately 1 year ago the Department began the development of a web-based mapping tool for the specific purpose of aiding Department staff and the general public in locating DNR managed lands. This effort was funded with Federal Sportfish Restoration grant funds. The first stage in the development of this tool was to create an intranet based mapping site available only to DNR staff. This served as a testing ground for the internet based site that would eventually be made available to the public. The internet based site is now fully developed and ready to be placed on the Department's web-site. This web-based mapping tool will provide mapping features only for DNR managed lands. This site will not include lands acquired with Stewardship grants to non-profit conservation organizations or local governments. It is the Department's position that managing those lands, including mapping their location for public use, is the responsibility of the grant applicant.

The Department estimates it will cost approximately \$30,000 per year to maintain the web site for DNR lands. This is based on 200 new acquisitions and approximately 18,000 acres of new land acquired each year. This \$30,000 cost would be incurred by the Department in any event, and is not shown as a fiscal impact related to this legislation.

Should the Department be directed to develop a site for the grant funded land purchases, it will cost an additional \$100,000 to develop a GIS layer and corresponding web-site, and an additional \$10,000 each year to maintain the site.

The costs of developing the web mapping tool for the grant funded acquisitions is based on a backlog of 610 grants and approximately 50,000 acres of land acquired since 1991. The maintenance cost is based on 65 land acquisition grants per year. The costs include staff time and expenses related to developing and maintaining the tool.

2.) Printed Map Directory -- The costs of creating a printed directory are based on publishing 5,000 copies of an 80 page color document (72 counties plus 8 pages of information). The estimated cost is \$15,000/5000 copies biennially, or \$7,500 annually. The Department would sell the copies, recouping \$7,500 annually in revenue.

3.) All Lands Acquired with Stewardship Shall be Open to the Public -- This is a policy issue and there are no fiscal costs associated with this requirement.

4.) Signage of Lands Acquired with Stewardship Funds -- This portion of the bill is the most costly to the Department. The fiscal estimate is based upon the assumption that this bill imposes new signage requirements upon the Department rather than allowing the Department to utilize its existing property signage policies. This estimate assumes the Department creates new signage on DNR-owned lands purchased with Stewardship funds.

To complete the fiscal analysis for this section of the bill the Department calculated the exterior boundary of lands acquired with Stewardship funds on two distinctly different properties. The properties analyzed were the Willow Flowage and the Glacial Habitat Restoration Area (GHRA). The Willow Flowage provides an example of a project with virtually no in-holdings so the only signage requirement would be on the exterior boundary. The GHRA provides an example of a project with considerable private in-holdings, creating both an interior and exterior boundary requiring signage. The Willow Flowage has 76,804 yards of exterior boundary. The bill requires signage every 1000 yards and results in a simple calculation of 77 signs needed for the property. The GHRA has 202,000 yards of exterior boundary resulting in approximately 202 signs.

Since it is impractical to measure the exterior boundary of all 273,000 acres of state land acquired with Stewardship funds, the Department has converted the calculation to the number of signs per 40 acre parcels. The Willow Flowage contains 410 forty acre parcels acquired with Stewardship funds and requires 77 signs. This equals approximately 0.2 signs per 40 acres acquired with Stewardship Funds ($77/410=0.187$). The GHRA project however, with considerably more interior boundary to be signed, contains only 166 forty acre sections but requires 201 signs, or 1.2 signs per forty. The Glacial HRA is far more representative of Departments projects, so for the purpose of this analysis 1 sign per 40 acre parcel acquired with Stewardship will be used (note: the Department believes this is a conservative estimate). Since the inception of the Stewardship program in 1990, the Department has acquired approximately 274,000 acres of land and an additional 50,000 acres were acquired with Stewardship grant assistance for a total of 324,000 acres or 8,100 forty acre tracts ($324,000/40$). This would equate to 8100 signs needed to comply with the portion of the bill that requires exterior boundaries of parcels acquired with Stewardship funds to be signed. The bill also requires that signs be posted at all access roads leading into a property. The Department has 758 named properties, many with multiple access points. For the purpose of this bill we are estimating an additional 10 signs per property to comply with the requirement to sign all access roads. With 758 properties this results in another 7,580 signs. The total number of signs estimated to be needed to bring all past Stewardship funded DNR land purchases into compliance with the bill is estimated at approximately 15,700 signs. An average cost of \$15.00 per sign is used for a total cost to purchase signs at \$235,500. In addition an equivalent number of posts would be required at an estimated cost of \$7/post or an additional \$110,000.

Another cost related to this bill is the cost of boundary surveys to determine the exact location of the boundary of interior parcels. Often times, especially in the north, there is no clear fence line or field boundary to distinguish a change in property ownership. Even in cases where such features exist they may not be located exactly on property boundaries. Prior to posting these boundaries the Department will either have to reach agreement with an adjoining land owner on the boundary location or conduct a survey of the boundary to be signed. If only 1.0% of the 8100 forty acre parcels required surveys this would result in 81 surveys required. A conservative cost estimate for these surveys is \$5,000 per survey (note: this assumes that most of the survey work would occur in the north where survey work is considerably more costly) or an estimated \$405,000 in survey costs.

In addition, labor costs to post the signs would be considerable in order to meet the 6 month deadline for compliance established in the bill. The Department anticipates having to contract for this work. Contract costs are estimated at \$45/hour x 40 hours/property x 758 properties = \$1,364,400 in contract labor costs. The hourly cost is based upon a two person crew with a vehicle.

Conclusion: The total one-time cost to bring the Department into compliance with the bill is \$2,214,600. No new funding sources are provided in the bill to carry out the provisions of the bill.

Once in compliance, the cost can be annualized. Annualized costs for signing are arrived at by dividing the total one-time cost of signs, posts, labor, and surveys of \$2,114,600 by the number of years of Stewardship acquisition ($\$2,114,600/13= \$162,660$) and adding the annual cost for maintaining the GIS land records system (\$10,000) and the annual cost for publishing the maps (\$7,500). Total estimated annual cost is \$180,200.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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| LRB Number 03-3270/1 | Introduction Number SB-394 | |
| Subject | | |
| Information about Stewardship properties | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | |
| \$2,214,600 -- initial cost to comply with bill | | |
| 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 | 180,200 | |
| Local Assistance | | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$180,200 \$ | |
| B. State Costs by Source of Funds | | |
| GPR | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | 180,200 | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | |
| | Increased Rev | Decreased Rev |
| GPR Taxes | \$ | \$ |
| GPR Earned | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | 7,500 | |
| TOTAL State Revenues | \$7,500 | \$ |
| NET ANNUALIZED FISCAL IMPACT | | |
| | <u>State</u> | <u>Local</u> |
| NET CHANGE IN COSTS | \$180,200 | \$ |
| NET CHANGE IN REVENUE | \$7,500 | \$ |
| Agency/Prepared By | | |
| Authorized Signature | | Date |
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