

Fiscal Estimate Narratives

DNR 9/3/2009

LRB Number	09-2473/2	Introduction Number	SB-265	Estimate Type	Original
Description Nonmotorized trail maintenance and use, granting rule-making authority, and making appropriations					

Assumptions Used in Arriving at Fiscal Estimate

SB 265 creates a non-motorized trail maintenance program and appropriates either \$10 million or 1% of the amount of the motor fuel tax collected in the prior fiscal year; whichever is less. Under the program, funds may be distributed to state agencies, local units of government and non-profit organizations that administer and maintain non-motorized trails.

State Fiscal Effect

The bill authorizes the Department to promulgate administrative rules to administer the program and provides 1.0 FTE SEG-funded position for this administration. The most appropriate position to undertake the administration of this program is a NR Financial Assistance Specialist - Senior, which is the same classification as for other grant managers in the Bureau of Community Financial Assistance. First full-year position costs are estimated to be \$68,100. Another \$2,000 will be needed for materials, supplies, mileage, etc.

Local Fiscal Effect

Calculating the total funding necessary to operate a network of trails operated and maintained by local units of government requires significant assumptions. Until now, there has been a very limited amount of funds to do any maintenance and that funding source is very competitive. Therefore, as this funding becomes available, we should expect that more trails owned and/or maintained by entities other than the Department will become known. Currently, we are aware of 1,554 miles of trails designated on county forest lands alone. A survey would have to be conducted to learn the full range of trails operated by local units of government and non-profits.

The Department currently administers approximately 4,086 miles of trails. In FY 08, the Department generated approximately \$1.35 million in trail pass revenue while incurring \$3.6 million in costs to operate and maintain those trails. This provides a calculation of \$881/mile to maintain a trail by Department standards. If we estimate that there are upwards of 5,000 miles of trails operated by counties, cities, villages and other non-profit groups, then the cost of maintenance could well exceed \$4.4 million annually that is being absorbed by these outside groups. This, coupled with the costs that the Department continues to incur to maintain trails could bring maintenance costs to \$8 million and higher.

Long-Range Fiscal Implications

In addition to the approximately 3,660 miles of trails yet to be developed by the Department, an accurate accounting of total trail miles currently operated by local governments and nonprofit groups may necessitate additional funding in the future.

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Nonmotorized trail maintenance and use, granting rule-making authority, and making appropriations			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:			
		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes	\$68,100		\$
(FTE Position Changes)	(1.0 FTE)		
State Operations - Other Costs	2,000		
Local Assistance			
Aids to Individuals or Organizations	9,929,900		
TOTAL State Costs by Category	\$10,000,000		\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S	10,000,000		
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			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$10,000,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By			
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Date			
			9/3/2009