

Fiscal Estimate Narratives
DNR 1/8/2020

LRB Number 19-4891/2	Introduction Number AB-0695	Estimate Type Original
Description the wildlife damage abatement program and the wildlife damage claim program		

Assumptions Used in Arriving at Fiscal Estimate

The bill makes several changes to the wildlife damage abatement program and the wildlife damage claim program

I. State Fiscal Effect

A. Revenue

The Department assumes that the bill will have no impact on the amount of revenue that will be generated for wildlife damage payments (i.e., \$2 hunting licenses surcharges and \$12/\$20 resident/nonresident bonus deer permit surcharges).

B. Costs

1. Cost Decreases--Ongoing

The Department estimates a \$50,000 annual decrease in program expenditures that would be achieved through the elimination of the requirement that counties administer the program. The \$50,000 estimate was determined by looking at county administrative costs charged in excess of the USDA-Wildlife Services budget in counties that contracted program services to USDA-Wildlife Services.

2. Cost Increases--Ongoing

The Department estimates a \$584,800 annual increase in annual program expenditures, itemized and based on the following assumptions:

- Commodities grown will remain constant.
- Commodity prices will remain constant.
- Damage rates per acre will remain constant.
- Annual satellite and activation fees for bear trap monitors will remain constant.
- Existing enrolled agricultural acreage will remain enrolled (increasing annual compensation payments by \$356,000 due to the elimination of the compensation limit).
- New enrollments will increase by 10% (increasing annual compensation payments by \$127,000).
- Program administrative costs will increase by 3% (increasing annual administrative costs by \$66,000 for enrolling new producers, implementing abatement, and conducting crop appraisals).
- Amount of corn damaged to access bear trap locations will increase by \$800 annually.
- One additional USDA-Wildlife Services employee will be hired to conduct bear trapping and relocation services (increasing administrative costs by \$35,000 annually).

3. Cost Increases--One-time

The Department estimates one-time costs of \$94,000 will be necessary for the purchase of bear trap monitors and additional equipment to handle the projected increase in bear trapping and relocation efforts.

II. Local Government Fiscal Effect

Since program services would no longer be provided by counties, as prescribed in the bill, the associated

administrative costs would be eliminated and counties would no longer be reimbursed by the state for those costs. Therefore, the Department estimates an annual decrease of \$214,900 in both costs and revenues for the 17 counties that have a county employee implement the program or hire a private wildlife damage technician for program implementation. The amount of administrative funding varies by county and ranges from \$4,500 - \$43,500 per county.

Long-Range Fiscal Implications

The wildlife damage program currently has balance of approximately \$5.6 million. However, because the bill is projected to result in a net increase in wildlife damage costs, the long-term fiscal effect will be the proration of wildlife damage claim payments to agriculture producers since total program costs will be expected to exceed available revenues in most years.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4891/2	Introduction Number AB-0695	
Description the wildlife damage abatement program and the wildlife damage claim program		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): An estimated \$94,000 of one-time costs for the purchase of bear trap monitors and additional equipment needed to handle the projected increase in bear trapping and relocation efforts.		
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	101,000	-50,000
Local Assistance		
Aids to Individuals or Organizations	483,800	
TOTAL State Costs by Category	\$584,800	\$-50,000
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	584,800	-50,000
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		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$534,800	-\$214,900
NET CHANGE IN REVENUE	\$	-\$214,900
Agency/Prepared By	Authorized Signature	Date
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