

Fiscal Estimate Narratives

DNR 5/9/2022

LRB Number	21-0262/1	Introduction Number	AB-1138	Estimate Type	Original
Description the dates for which an annual vehicle admission receipt or an annual state trail pass are valid					

Assumptions Used in Arriving at Fiscal Estimate

The bill modifies the validity of an annual state park and forest vehicle admission pass or a state trail pass from a calendar year to a 12-month period from the date of purchase.

I. Assumptions and Background Information

Under current law, admission and trails passes are valid only during the calendar year for which they are purchased. Department staff are able to identify the validity of the current calendar year pass by its color, whereas under the proposed date of purchase pass, staff would have to mark each pass when it is sold to reflect the date of purchase. Department staff would commit additional staff time to check the validity of the pass upon park entrance or other enforcement checks.

II. State Fiscal Effect

A. State Park & Forest Vehicle Admission Passes

1. Cost Estimate

a. There are four primary methods for purchasing an admission pass:

- In-person sales at state park and forest properties, DNR service centers
- Online sales
- Electronic payment kiosks
- Self-registration envelopes

All four methods would need to be modified to align the validity of passes with a particular date of purchase and expiration:

For in person or self-registration envelope sales, the only change to the printing of the sticker itself would be to add printing of months on one side of the sticker and dates on another part. A hole punch would be used to mark the month and date of purchase on each sticker, the sticker would then expire one year from the punched date.

For online sales and electronic kiosk sales, the stickers would need to be printed with a month of expiration, which would increase printing costs and increase potential waste as stickers/trail passes would need to be rotated monthly.

b. The department would incur additional printing costs to add the month/date printing on annual stickers sold in person; the current printing contract would need to be revised for an estimated additional cost of \$5,000/year. In addition, printing predated online and kiosk stickers would result in an estimated cost of \$50,000/year.

c. There may also be an indeterminate, one-time penalty for re-bidding an existing multi-year printing contracts for the vehicle admission pass stickers.

d. There would be an increase in staff time to mark each admission sticker sold and to provide an explanation to the customer of the new expiration date. The department estimates an additional 1,500 hours of LTE staff time would be necessary to mark the stickers, for an estimated cost of \$27,800 (assumes an average LTE salary/fringe of \$18.50/hour).

e. There may also be an increase in staff time to more closely inspect each sticker upon entrance to the park to confirm the sticker is valid. The department estimates an additional 3,000 hours of LTE staff time would be

needed to check the validity of the proposed stickers, at an estimated cost of \$55,500 (assumes an average LTE salary/fringe of \$18.50/hour).

f. If stickers sold from online sales need to be punched in the same manner as in-person sales, it will require a manual fulfillment process for all online sales. This would require a minimum of two LTEs to manage this process, resulting in an additional 2,078 hours of staff time at an estimated cost of \$38,500 (assumes an average LTE salary/fringe of \$18.50/hour).

g. Due to the increase cost of printing and management of stickers at electronic kiosks, the department would eliminate the dispensing of annual stickers and replace them with temporary receipts only that would be exchanged in person or a mail in system that could be punched at the time of fulfillment. This would reduce customer convenience and increase staff time and costs associated with kiosk sales. If kiosk stickers need to be punched, it would result in an estimated \$2,000 worth of staff time over 108 hours effort (assumes an average LTE salary/fringe of \$18.50/hour).

h. Total estimated ongoing costs are \$178,800 (\$5,000 + \$50,000 + + \$27,800 + \$55,500 + \$38,500 +\$2,000).

2. Revenue Estimate

The overall impact on vehicle admission revenues is indeterminate. It may be more likely for an individual visiting a property during the fall to buy an annual pass instead of a daily pass with the proposed change. Under that scenario, an increase in annual passes would result in fewer daily passes sold and could thus increase admission revenues by an indeterminate amount.

The department assumes, over time, that sales of annual admissions stickers would become more consistent throughout the year rather than front-loaded at the beginning of the outdoor recreational season.

B. State Trail Passes

1. Cost Estimate

There would be minimal impact on trail operations with this proposed change. Unlike most park entrances, the department does not deploy staff at trail entrances to ensure that everyone that uses the trail has a valid pass. The department currently performs spot checks to ensure trail users have a valid pass. This practice would continue under the proposed change, but the pass check will likely take longer and limit the number of checks that could be performed because there would be no visual color cue on the pass that would easily and quickly demonstrate validity.

An indeterminate amount of staff time would be required to train local communities, businesses and organizations that sell trail passes in partnership with the DNR.

There may be an indeterminate penalty for re-bidding multi-year printing contracts for trail passes that are currently in place.

2. Revenue Estimate

Due to the lower amount of trail enforcement pass checks, it is expected that there will be less incentive for trail users to purchase annual trail passes, which would lead to an indeterminate reduction in trail pass revenue.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2021 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 21-0262/1	Introduction Number AB-1138	
Description the dates for which an annual vehicle admission receipt or an annual state trail pass are valid		
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	\$123,800	\$
(FTE Position Changes)		
State Operations - Other Costs	55,000	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$178,800	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	178,800	
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	\$178,800	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By	Authorized Signature	Date
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