

*ML*

PREPARED BY:  
DATE PREPARED:  
PHONE:

Mike Lovelace  
February 02, 2011  
471-0050

**LB 549**

Revision: 00

**FISCAL NOTE**  
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See below	
CASH FUNDS	See below	See below	998,900	19,888
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 549 creates the Nebraska Youth Conservation Program to provide at-risk youth with summer employment opportunities at areas run by the Game and Parks Commission. The Game and Parks Commission is charged with the responsibility to implement the program to include the application process, identification of the projects participants will work on, supervision, payment of at least the minimum wage to participants, travel arrangements, etc.

A one-time transfer of \$994,400 from the State Settlement Cash Fund to the newly created Nebraska Youth Conservation Program Fund will provide initial funding for the program. A source of on-going funding once the transferred money is spent is not specifically identified. If the intent is for the program to be on-going a General Fund appropriation will be necessary in the absence of additional transfers. The Commission has provided an estimate of investment interest that will be earned on the transferred money of \$19,888 in FY12-13. The bill does eliminate the authority to transfer money from the State Settlement Cash Fund to the General Fund.

Based on the money available (\$1,014,288 including interest earned), the Game and Parks Commission envisions the establishment of 30 eight person crews spread around the state which equates to the employment of 240 youth. Each crew would have one Crew Leader (30 FTE) and the program would have one overall Program Coordinator who would all be employees of the Commission. The Commission factors in costs to rent vans for transportation of the youth as well as the purchase of tools, protective clothing, sunscreen, project supplies and other necessary items. Their estimate does not include the provision of lodging or noon meals. Implementation costs are shown in FY12-13 because the Commission anticipates needing the additional time to work out the details to establish the program.

The Commission's estimates are based on maximizing the number of participants in the shortest time-frame and paints a picture of what ongoing costs would be at this level of participation. If this funding is one-time in nature the program could be scaled back to spread the available funding over more than one year. There is no basis to disagree with the Commission's estimates. Please see the Game and Parks Commission's fiscal note for additional assumptions.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	1/27/11	PHONE	471-2526
COMMENTS					
ATTORNEY GENERAL: Transfer amount agrees with LB 549. GAME AND PARKS COMMISSION: I have no basis to disagree with NGPC's statements.					



Please complete ALL (5) blanks in the first three lines.

2011

RECEIVED

FEB 17 2011

LEGISLATIVE

LB <sup>(1)</sup> 549 FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick H. Cole Date Prepared: <sup>(4)</sup> January 28, 2011 Phone: <sup>(5)</sup> (402) 471-5523

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS		994,400	998,9900	19,888
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>994,400</b>	<b>998,9900</b>	<b>19,888</b>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation creates and provides for the Nebraska Youth Conservation Program under the authority of the Nebraska Game and Parks Commission. A new fund, The Nebraska Youth Conservation Program Fund is created with its initial source of money coming from a transfer of \$994,400 from the State Settlement Cash Fund. No specific provisions for future funding is provided, although language changes to the State Settlement Cash Fund statute would enable the Attorney General to use his/her discretion for future expenditures (presumably to cover possible future transfers). Since future funding is not specifically provided for, no estimates of revenue for FY 2012-13, short of minimal interest earnings (est 2% on total), is projected.

The purpose of the program is to employ Nebraska's at-risk youth (age 16-20) on projects which contribute to conserving or developing natural resources on land and water under the jurisdiction of the Game and Parks Commission. The Commission is to administer and maintain the program. It is not thought that the Commission's responsibilities would extend beyond the funding made available in the new Fund, if they would, general funds would need to be appropriated since the agency's cash funds would be inadequate to support.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services

POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Program Coordinator (Park Supt III) TEMP		1		7,764
Crew Leader (Park Supt I) TEMP		30		130,419
Crew Members (Park worker ) TEMP		240		417,600
Benefits.....				42,517
Operating.....				400,600
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				<b>998,900</b>

**LB<sup>(1)</sup> 549 FISCAL NOTE**

The program is to combine academic, environmental, and job skills training with personal growth opportunities for participants. Based on the broad objectives and similarity to the Summer Youth Employment Program administered by the Department of Labor, the Commission would likely seek to partner with the Department of Labor to implement the program. The Department of Labor has the expertise and administrative structure already in place to implement a program of this kind, including processes for selecting participants. This may particularly be necessary if the program participants are not to be state employees. The estimates provided here will be based on an assumption that regardless of whether or not the Commission handles everything direct or the Department of Labor or an outside firm coordinates it, the expenditure needs will be similar. The only missing element would be an administrative fee that an outside entity might charge.

If the Commission were to handle the program direct, a collaborative effort with the Department of Labor and the secondary school systems across the state would be necessary to develop program protocols and coordinate working rules and conditions. This effort would affect the operational time frame. Work sites might include state parks, state recreation areas, historical parks, recreational trails and wildlife management areas. The program would be implemented in the summer season, when school is out, for approximately 6 weeks.

It is estimated that approximately 240 youth could participate in this program in a given year. Thirty work crews of 8 each could be established around the state. Each crew would require a crew leader to coordinate and supervise daily crew activities. They would likely be hired at least one week in advance of the crew members themselves. An overall program coordinator would also be necessary to direct the establishment of the crews, line up work sites/details, coordinate selection process of crew members/leaders, collaborate with schools, train crew leaders and address logistical issues.

The bill specifically indicates that the program participants (crew members) shall not be considered state employees, but the crew chiefs and other administrative and supervisory staff should be employees of the commission. The bill also indicates that participants would be paid not less than minimum wage. It is unclear how the participants would be paid if not considered employees; for estimate purposes they will be considered seasonal/temporary employees. Some clarification may be needed that would include ability to outsource to other qualified 'jobs program entities that have experience with these types of programs.

For the purposes of providing an estimate the following figures/assumptions are used:

Youth Conservation Program

Position/Item	Quantity	Weeks	Hours (@40/wk)	Pay/HR	OASDI	Total Cost
Program Coordinator	1	10	400	\$ 19.41	\$ 593.98	\$ 8,358.38
Crew Leader	30	7	280	\$ 15.53	\$ 9,977.01	\$ 140,395.41
Participants (crew members)	240	6	240	\$ 7.25	\$31,946.40	\$ 449,546.40
<b>PERSONAL SERVICE TOTAL*</b>						<b>\$ 598,300.18</b>

**Supplies and Equipment**

Rent Vans (commercial source)	30	6	\$495.00/week			\$ 89,100.00
Fuel costs	30	6	\$200/week			\$ 36,000.00
Hand tools, garbage bags etc	30			\$2,500/crew		\$ 75,000.00

Please complete ALL (5) blanks in the first three lines.

2011

LB <sup>(1)</sup> 549 FISCAL NOTE

Protective clothing (cap/shirt/gloves)	30	\$250/crew	\$ 7,500.00
Consumables (sunscreen, bugspray)	30	\$100/crew	\$ 3,000.00
Misc Admin (cell phones, postage, etc)			\$ 10,000.00
Project Supplies (paint, materials, seed etc)			\$ 180,000.00
<b>SUPPLY/MATERIALS TOTAL</b>			<b>\$ 400,600.00</b>
<b>ESTIMATED TOTAL</b>			<b>\$ 998,900.18</b>

\* Personal Services rates estimated at: minimum wage for participants, Program Coordinator similar to Park Superintendent III Crew Leader similar to Park Superintendent I ....all at FY11 minimum rates

It should be noted that while TSB vehicle rental would likely be considerably less, they only have two 12-passenger vans available, so commercial rental rates are used.

While some similar programs in the past (that were funded by Federal Programs and ran by contracting entities outside of the Commission) had meal and in some case lodging provisions, this legislation does not cover these items and so no estimate will be made for those costs. It is also unclear under current statute whether or not such costs would be allowable (not as employees, but perhaps possible under a 'jobs program' contractual effort).

Since implementing a program of this nature and scope would take considerable coordination and time, implementation costs are projected for the second year only. The costs are also based on a maximum manageable basis which also utilizes most of the funds made available by the legislation. If no additional future funding were secure, it's possible the program could be implemented on a smaller scale if continuation of the program were desired for more than one year. While the majority of the costs would be ongoing, one would expect some of the supply costs to be one-time or require a replacement schedule.

Should this legislation proceed, we would request an A Bill that would provide at a minimum, the authority, including PSL to match the estimates provided and at a maximum, the full fund transfer amount to provide contingency for underestimated or unforeseen costs.