

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$2,430,675 - \$2,910,675	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$2,430,675 - \$2,910,675	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 668 would require the Nebraska Game and Parks Commission (NGPC), no later than June 30, 2023, to move their headquarters to a county with a population of less than 10,000 inhabitants that is located at least 200 miles from a city of metropolitan class or primary class. The NGPC would also be authorized to enter into a lease agreement with a city or village, after considering the value of the economic development incentives the entity has, where they would provide a headquarters office building and related buildings and facilities.

In order to secure a facility that meets the agencies space needs, the agency estimates it would expect annual rent of \$11.5 to \$14.4 million for an existing facility. This is based on a 60,000 sq/ft facility at the Department of Administrative Services average lease rate of \$16-\$20 sq/ft per month. The NGPC currently does not pay rent on the two headquarters buildings. Because the move would need to be completed by June 30, 2023, the estimated increase in expenditures would be for two (2) months in FY23. The range for rent is estimated to be \$1.92-\$2.4 million for FY23. The range is provided to demonstration the difference in the price per sq/ft (\$16 vs. \$20).

The agency estimates the moving costs (in FY23) to be between \$510,675 and \$612,675 depending on staff retention (80% vs. 100%) and future travel costs to increase \$68,028 to \$97,182 per year. Additional travel costs are not anticipated to be incurred prior to FY24.

It is being assumed the single building that was constructed utilizing federal funding (Pittman-Robertson and Dingle-Johnson) would continue to be utilized as a District Office, thus the repayment amount of \$1,643,500 is not included in expenditure estimates.

Estimates in the boxes above reflect a range that uses the rent range and the lower amount of moving costs. Additionally, Cash Fund expenditures are reflected as it is being assumed the agency would limit spending Cash Funds if the bill passes allowing for their utilization in place of General Funds.

Outside of not including the repayment of \$1,643,500, there is no basis to disagree with the agency estimates of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 668	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY: Claire Oglesby		DATE: 1/29/21	PHONE: (402) 471-4174
COMMENTS: Nebraska Game and Parks Commission's fiscal note impact appears reasonable based on the assumptions provided.			

LB⁽¹⁾ 668 – Relocate NGPC Headquarters

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Game & Parks Commission

Prepared by: (3) Christina Peters Date Prepared: (4) 1/25/2021 Phone: (5) (402)471-5403

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	5,074,175 – 5,656,175	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	5,074,175 – 5,656,175	=====

Explanation of Estimate:

The proposed legislation would require the headquarters of NGPC be relocated 200 miles away from Lincoln in a county with a population of 10,000 or less by June 30, 2023. The available options would be west of towns on the distance perimeter from Indianola, Curtis, Maxwell (on I-80), Halsey and Ainsworth,

A District Office setting, with facilities occupied by wildlife, fisheries, and office staff (approx. 10-15 people), would remain in Lincoln to continue work within the Southeast District. The Operations and Construction staff would retain their location on Y Street. Suitable office space for the District staff would need to be obtained IF NOT remaining in the Federal funded building.

NGPC currently doesn't pay rent on the two buildings (64,446 ft²) currently occupied by approximately 180 staff. Finding a new building to fit the needs of the Agency, including meeting spaces, adequate staff and public parking, mailroom receiving/delivery dock and fishery/wildlife research needs, will likely require modifications to any existing property. Potential modification, based on property owner willingness, could cost over one million dollars.

Using Administrative Services average lease rate (\$16-\$20/ft²), and for purposes of this note, 60,000 ft² of space will be used at the office space rent rate. Included in that space would be storage, conference, and mail/order processing space and may allow for a lower rental rate for those portions. Annual rent of \$11.5 to \$14.4 million would not be unexpected and likely twice that for new construction. For purposes of this bill, 2 month's rent would be needed (post renovation) to ready the building prior to June 30, 2023.

Because one current building was built using Federal funds from PR/DJ, the current appraised value of that building, if vacated, would need to be repaid to the US Fish and Wildlife Service. Using the Lancaster County Assessor's valuation of the building, this would require a minimum payment of \$1,643,500.00, if not retained and utilized as District office space.

To move the office furnishings and records of divisional staff relocating, the agency would hire a moving company at the cost of approx. \$12,000. Covering the moving costs of the 170 staff (at 100% retention) would require \$510,000.00. If only 80% of staff agree to move, the cost goes to \$408,000.00. State authorized temporary lodging and storage of personal belongings for 45 people (who go out first to set up) would be approx. \$90,675.00. (45 motel rooms @ \$65/day for 30 days = 87,750, plus 45 storage units @ \$65/mo. = \$2,925).

Based on housing availability in the chosen location, it is quite likely that a move would need to be made over time to ensure suitable/affordable staff/family housing is available (i.e. constructed) prior to full movement, or a significant increase in the temporary lodging and storage needs would be necessitated.

Future travel back to the Lincoln area would be necessary for various staff for Legislative updates/testimony, coordination with UNL School of Natural Resources and other conservation partners, etc. Divisional staff would

have farther to travel to office, park, hatchery and other locations since over 60% of NGPC areas (excluding WMAs) are east of Cozad. Depending on the final Headquarters location, estimates are figured by taking a 14-20% increase over the FY17-18 total travel expenses, an increase of \$68,028 - \$97,182 per year. For purposes of this bill, no travel increase would occur until FY2023-24.

Additional staffing in either the District Office or the relocated Headquarters may be necessary. Job duties of positions assigned to each site will need to be determined, and especially if staff currently doing the work of both areas (District & Statewide) are to be assigned to just one of the locations.

Current cash fund balances are not sufficient to support such a move and thus general fund dollars would be required. The full impact of expenses would be realized in FY2023-24, and could approximate \$11.6-14.5 Million dollars.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits				1,920,000 –
Operating				2,400,000
Travel				
Capital outlay- ...Repay USFWS for Bldg				1,643,500
Aid...One time moving Exp				510,675 –
Capital improvements - New Bldg Modif.				612,675
TOTAL				1,000,000
				5,074,175 –
				5,656,175