



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 21-0836	Date:	March 26, 2021
Prime Sponsors:	Rep. Arndt; Will	Bill Status:	House Energy & Environment
		Fiscal Analyst:	Max Nardo 303-866-4776 Max.Nardo@state.co.us

Bill Topic: WOLF REINTRODUCTION FUNDING WITH NO LICENSE FEES

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill changes the source of funds authorized to be used for the state's wolf reintroduction work, and requires the General Assembly to appropriate money for this purpose. It has a neutral net impact on state expenditures.

Appropriation Summary: For FY 2021-22, the bill requires appropriations of at least \$311,768 to the Department of Natural Resources.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Proposition 114, which was approved by Colorado voters at the 2020 General Election, directs the Colorado Parks and Wildlife (CPW) Commission to develop a plan to reintroduce gray wolves in Colorado and oversee the restoration and management of a self-sustaining population. The plan must provide fair compensation to livestock owners for losses of livestock caused by wolves.

This bill requires the General Assembly to appropriate money for this purpose from one of more of the following funds:

- the General Fund;
- the Species Conservation Trust Fund;
- the Colorado Nongame Conservation and Wildlife Restoration Cash Fund; or
- the Wildlife Cash Fund, except for money within the fund that comes from hunting and fishing license sales and associated federal grants.

In addition, the bill authorizes CPW to accept and spend donations for this purpose.

Background

Current law, as established by Proposition 114, states that the General Assembly shall make appropriations as necessary to fund wolf reintroduction that cannot be paid from the Wildlife Cash Fund. No appropriations from any fund source have yet been made for this purpose. The Department of Natural Resources is currently exploring options for financing wolf reintroduction. The fiscal note assumes that under current law, the Wildlife Cash Fund is the default fund source to be used. Revenue to this fund not derived from hunting and fishing license sales includes lease revenue, interest income, use permits, fines, and cash grants.

Enterprise status. CPW is designated as an enterprise for the purposes of TABOR. To maintain enterprise status, CPW can receive no more than 10 percent of its revenue from state and local governments. CPW is almost entirely cash funded, and its FY 2021-22 budget request currently includes no General Fund.

State Expenditures

Wolf reintroduction requires expenditures of at least \$344,323 and 1.0 FTE in FY 2021-22 and \$467,387 and 3.0 FTE in FY 2022-23. These totals reflect the estimates published in the fiscal impact statement accompanying the 2020 Blue Book, which are shown in Table 1 and described below.

The General Assembly may choose to appropriate a greater amount of money to finance a more wide-reaching public outreach process that has since been developed by the CPW Commission; these costs (\$868,168 in FY 2021-22 and \$1,007,278 and FY 2022-23 for the first two years) are discussed following the Blue Book scenario.

**Table 1
 Expenditures Under HB 21-1243**

	FY 2021-22	FY 2022-23
Department of Natural Resources		
Personal Services	\$74,425	\$195,625
Operating Expenses	\$6,240	\$18,720
Capital Outlay Costs	\$4,703	\$9,406
Management Plan Consultant	\$75,000	\$75,000
Public Meetings	\$44,000	\$44,000
CPW Commission Meetings	\$20,000	\$20,000
Temporary Public Information Staff	\$37,400	\$36,000
Public Survey	\$50,000	
Centrally Appropriated Costs ¹	\$32,555	\$68,636
Total Cost	\$344,323	\$467,387
Total FTE	1.0 FTE	3.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

2020 Blue Book scenario. Proposition 114 requires gray wolves to be reintroduced into Colorado by December 31, 2023, which falls in FY 2023-24. The two preceding years will be used to develop the plan for reintroduction and management. For FY 2021-22 this will require the following, at a minimum:

- 1.0 FTE wildlife manager to lead the reintroduction team and oversee the program;
- four facilitated public meetings;
- two additional half-day meetings for the CPW Commission;
- support from consultants to develop the plan;
- a public survey to gather information and gauge public perception; and
- the equivalent of 1.0 FTE of temporary staff support in CPW's public information section.

For FY 2022-23, CPW will add 2.0 FTE field biologists to prepare for reintroduction.

Increased public outreach scenario. After conducting additional research and gathering stakeholder input, on January 14, 2021, the CPW Commission approved a planning process which is more expansive than what had previously been discussed in preparing the 2020 Blue Book fiscal impact statement. This plan includes all of the above costs, plus the following additions for three years each:

- a professional facilitator at a cost of \$300,000 per year;
- monthly public meetings for two working groups at an increased cost of \$154,000 per year;
- five additional CPW Commission meetings at an increased cost of \$105,000 per year; and
- additional training on depredation in FY 2022-23 only at a cost of \$50,000.

If the General Assembly wishes to fund this planning scenario, it may appropriate a total of \$868,168 and 1.0 FTE in FY 2021-22, and \$1,007,278 and 3.0 FTE in FY 2022-23.

Future years: reintroduction and management. Following the planning period, costs will continue as the gray wolf reintroduction plan is implemented beginning by FY 2023-24. Costs are currently estimated to be approximately \$800,000 per year in FY 2024-25 and beyond; however actual costs will depend on the details of the reintroduction plan developed by the CPW Commission and other future conditions. These ongoing costs will be appropriated through the annual budget process. These costs will include:

- the continuation of planning costs for one additional year (if the increased planning scenario is implemented);
- the continuation of the 3.0 FTE to manage the program on an ongoing basis;
- the acquisition of gray wolves over a period of several years;
- transportation, housing, care, and tracking of the wolves;
- seasonal wildlife technicians to assist the permanent staff with tracking and otherwise managing the wolves;
- ongoing research; and
- compensation to owners of livestock for losses caused by wolves.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$32,555 in FY 2021-22 and \$68,636 in FY 2022-23.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, the bill requires appropriations of at least \$311,768 to the Department of Natural Resources. The appropriation can be from one or more of the following four funds:

- the General Fund;
- the Species Conservation Trust Fund;
- the Colorado Nongame Conservation and Wildlife Restoration Cash Fund; or
- the Wildlife Cash Fund, except for money within the fund that comes from hunting and fishing license sales and associated federal grants.

No appropriation for wolf reintroduction has yet been made, so making appropriations from new fund sources does not require a corresponding reduction to any current appropriations.

State and Local Government Contacts

Natural Resources