



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 21-0660
Prime Sponsors: Sen. Coram
Rep. Will

Date: July 29, 2021
Bill Status: Postponed Indefinitely
Fiscal Analyst: Max Nardo | 303-866-4776
Max.Nardo@state.co.us

Bill Topic: **IMPLEMENT & FINANCE GRAY WOLF REINTRODUCTION**

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 introduced additional duties and specificity for the Colorado Parks and Wildlife Commission concerning the gray wolf reintroduction planning process currently underway. It would have increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill would have required an appropriation of \$826,086 to the Department of Natural Resources. See State Appropriations Section.

Fiscal Note Status: The fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 21-105

	Budget Year FY 2021-22	Out Year FY 2022-23
Revenue	-	-
Expenditures		
Cash Funds	\$826,086	\$958,739
Centrally Appropriated	\$15,328	\$45,206
Total Expenditures	\$841,414	\$1,003,945
Total FTE	1.0 FTE	3.0 FTE
Transfers	-	-
TABOR Refund	-	-

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 bill adds specificity to the planning process, as described below.

Planning process. This bill introduces additional duties for the CPW Commission and adds specificity to the plan development process. The process changes specified in the bill are as follows:

- the process of removing the gray wolf from the state's list of endangered or threatened species must be initiated as soon as practicable;
- a request must be made that the U.S. Fish and Wildlife Service conduct an environmental impact analysis pursuant to the National Environmental Policy Act;
- the statewide hearings, as required under current law, must include at least one public hearing in each congressional district, and at least three in the third congressional district (at least nine total);
- public hearings must be scheduled at least 60 days apart and be sufficiently long that public testimony is not unnecessarily limited;
- after a draft plan is developed, additional public hearings must be held near the proposed reintroduction sites;
- a finalized plan must be presented to the General Assembly during the 2023 legislative session;
- an online portal to receive comments must be available through January 31, 2023;
- data on wolves already established in Colorado must be collected and reported; and
- for each of the ten years following initial gray wolf reintroduction, three public hearings must be held.

Financing. The CPW Commission must develop a proposal to fully finance the reintroduction and management of gray wolves. The plan must be presented to specified committees of the General Assembly before initial gray wolf reintroduction takes place. The plan must include damage compensation for livestock owner losses, including for productivity decreases other than animals directly killed by gray wolves, as well as financial assistance to prevent and resolve conflicts between gray wolves and livestock. The plan must also consider compensation for losses of poultry and alternative livestock.

Background and Assumptions

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. CPW is currently exploring options for financing wolf reintroduction, including the possibility of securing grants or donations. Legislative Council Staff is unaware of grants or donations having been secured at this time. For the purpose of the fiscal note, it is assumed that the Wildlife Cash Fund will be used to finance initial planning until the CPW Commission presents a financing plan, as specified in the bill, to the General Assembly.

The Wildlife Cash Fund is CPW's primary source of funds for the wide range of wildlife-related operations under its jurisdiction. Revenue to this fund comes primarily from hunting and fishing licenses and permits. Senate Bill 18-143 raised a number of hunting and fishing fees and charges, which increased Wildlife Cash Fund revenue by an estimated \$16.2 million annually. A recent history of revenue to this fund is shown in Table 2.

Table 2
Wildlife Cash Fund Revenue

Fiscal Year	License Revenue*
FY 2017-18	\$87.7 million
FY 2018-19	\$104.1 million
FY 2019-20	\$118.2 million

** This includes revenue from licenses, passes, fees, and permits. It excludes federal funds, Great Outdoors Colorado grants and other miscellaneous revenue sources that are designated for specific purposes.*

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

The bill requires state expenditures of \$841,414 in FY 2021-22 and \$1,003,945 in FY 2022-23 from the Wildlife Cash Fund. These costs are shown on Table 3 and described below.

Proposition 114 already requires some of these expenditures, although no appropriations have yet been made for this purpose. These expenditures were estimated at \$344,464 and \$467,387, respectively, in the 2020 Blue Book. Expenditures may be greater than estimated based on additional planning conducted by the CPW Commission since that time. This fiscal note identifies total costs for wolf reintroduction as modified by this bill. If the bill is not enacted, some costs will still be incurred for wolf reintroduction in accordance with Proposition 114, though the exact amount is not estimated.

**Table 3
Expenditures Under SB 21-105**

	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	\$153,318	\$148,988
Meeting Facilitator	\$300,000	\$300,000
CPW Commission Meetings	\$125,000	\$125,000
Temporary Public Information Staff	\$37,400	\$36,000
Public Survey	\$50,000	-
Training for Depredation Investigation	-	\$50,000
Centrally Appropriated Costs ¹	\$15,328	\$45,206
Total Cost	\$841,414	\$1,003,945
Total FTE	1.0 FTE	3.0 FTE

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

Planning period. 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. Costs shown here reflect the planning process adopted by the CPW Commission on January 14, 2021, which are sufficient to accomplish the requirements of this bill. For FY 2021-22 this will require the following:

- 1.0 FTE wildlife manager to lead the reintroduction team and oversee the program;
- support from consultants to develop the plan;
- monthly facilitated public meetings for two working groups: a technical working group and a stakeholder advisory group, the latter of which will include the hearings required by the bill;
- five additional full-day meetings for the CPW Commission;
- the equivalent of 1.0 FTE of temporary staff support in CPW's public information section; and
- a public survey to gather information and gauge public perception.

For FY 2022-23, CPW will add 2.0 FTE field biologists in preparation for reintroduction, and require a one-time training for field staff on wolf depredation investigations.

Future years. Following the planning period, costs will continue as the gray wolf reintroduction plan is implemented beginning in FY 2023-24. These expenditures are not estimated in detail here, and will be addressed through the annual budget process or future legislation. These costs include:

- the continuation of some planning costs, depending on future decisions;
- 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 public hearings for ten years following initial reintroduction; and
- compensation to owners of livestock for losses caused by wolves.

Costs are roughly estimated to be in the range of \$800,000 per year in FY 2024-25 and beyond. Actual costs will depend on the details of the reintroduction plan, the degree to which wolves currently in Colorado and those introduced progress toward becoming self-sustaining; the division of management authority between state and federal agencies; and the success of landowners in mitigating livestock 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 \$15,328 in FY 2021-22 and \$45,206 in FY 2022-23.

Technical Note

The requirement that public hearings be held at last 60 days apart may conflict with the requirement that hearings be held in close proximity to each location identified for reintroduction within the reintroduction timetable, and reduces the total number of public hearings that may be held to below what the CPW Commission may otherwise deem optimal.

Effective Date

The bill was postponed indefinitely by the Senate Agriculture and Natural Resources Committee on March 11, 2021.

State Appropriations

For FY 2021-22, the bill would have required an appropriation of \$826,086 to the Department of Natural Resources from the Wildlife Cash Fund, and 1.0 FTE. This assumes that no other appropriations are made to implement Proposition 114. If appropriations are made to implement Proposition 114 in the Long Bill or elsewhere, the appropriation required for this bill is decreased by that amount.

Departmental Difference

The Department of Natural Resources requested that the bill be funded with General Fund money. Legislative Council Staff believes that the Wildlife Cash Fund is the appropriate fund source for the planning phase until the financing plan required by the bill is developed by the CPW Commission and presented to the General Assembly for consideration.

State and Local Government Contacts

Agriculture
Municipalities

Counties
Natural Resources