



**Legislative
Council Staff**
Nonpartisan Services for Colorado's Legislature

Initiative # 107

INITIAL FISCAL IMPACT STATEMENT

Date: June 4, 2019

Fiscal Analyst: Max Nardo (303-866-4776)

LCS TITLE: RESTORATION OF GRAY WOLVES

Fiscal Impact Summary		FY 2021-22	FY 2022-23
Revenue	Cash Funds	-	-
Expenditures	Cash Funds	\$344,363	\$467,387

***Disclaimer.** This initial fiscal impact statement has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.*

Summary of Measure

The initiative requires the Colorado Parks and Wildlife (CPW) Commission to develop a plan to restore and manage gray wolves in Colorado. In doing so, the commission must hold statewide hearings to gather information to inform the plan. CPW must take the steps necessary to begin gray wolf reintroduction by December 31, 2023, on designated lands west of the Continental Divide in Colorado that the commission determines are consistent with its plan to restore and manage gray wolves. CPW is further required to assist landowners in preventing and resolving conflicts between gray wolves and livestock, and to compensate livestock owners for any losses of livestock caused by gray wolves.

Background

The gray wolf is currently designated as endangered under the federal Endangered Species Act in most areas of the country, including Colorado. Given this status, Colorado will require approval from the federal government to undertake recovery efforts. However, in March 2019, the federal Fish and Wildlife Service published a proposed rule to remove the gray wolf from the List of Endangered and Threatened Wildlife. The agency must reach a determination on the proposed rule within one year of its submission. The fiscal note assumes that reintroduction can occur either with federal approval or without the need for approval if the Fish and Wildlife Service removes the gray wolf's threatened or endangered status.

State Expenditures

Implementing the initiative will increase state cash fund expenditures in CPW by \$344,363 and 1.0 FTE in FY 2021-22, and \$467,387 and 3.0 FTE in FY 2022-23, for the planning phase of the reintroduction process. Future year costs will increase as the plan is implemented and gray wolves are reintroduced into Colorado beginning in FY 2023-24. These costs are shown on Table 2 and described below.

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Table 2
Expenditures Under Initiative #107

	FY 2021-22	FY 2022-23
Department of Natural Resources		
Personal Services	\$74,425	\$195,625
Operating Expenses, Capital Outlay, Mileage	\$10,943	\$28,126
Public and CPW Commission Meetings	\$64,000	\$64,000
Management Planning Contractor	\$75,000	\$75,000
Temporary Public Information Staff	\$37,440	\$36,000
Public Survey	\$50,000	-
Employee Insurance and Retirement	\$32,555	\$68,636
Total Cost	\$344,363	\$467,387
Total FTE	1.0 FTE	3.0 FTE

Planning period. The initiative requires gray wolves to be reintroduced into Colorado by December 31, 2023 (FY 2023-24). The two preceding years will be used to develop the plan for reintroduction. For FY 2021-22 this will require the following:

- 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 contractors to develop the plan;
- a public survey to solicit 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 would add 2.0 FTE of field biologists. Costs for both years will be paid from the Wildlife Cash Fund, or other funds at the discretion of the General Assembly.

Future years. Beginning in FY 2023-24, implementation costs will increase as the reintroduction of gray wolves commences. Generally, these costs will include the continuation of the 3.0 FTE to manage the program; the acquisition of about 10 wolves per year for 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 gray wolves. These costs will depend on the details of the plan that is developed by CPW; as such, these costs are not estimated, and will be requested by CPW through the annual budget process.

Economic Impact

Game species, such as deer and elk, may become prey for grey wolves, if these wolves are reintroduced. To the extent that this reduces the quantity of animals available for hunting, reintroduction may decrease revenue for businesses that facilitate hunting, and may decrease state and local government revenue from hunting-related fees and taxes. Conversely, the presence of gray wolves may have a positive effect on the health of some ecosystems, which may promote participation in non-consumptive forms of outdoor recreation. This may increase income and revenue to businesses and governments that facilitate these activities.

Effective Date

If approved by voters at the 2020 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Natural Resources

Abstract of Initiative 107: RESTORATION OF GRAY WOLVES

The abstract includes estimates of the fiscal impact of the proposed initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of June 4, 2019, identifies the following impacts:

State expenditures. The measure will increase state expenditures in the Department of Natural Resources by \$344,363 in FY 2021-22, and \$467,387 in FY 2022-23, for the planning phase of gray wolf reintroduction. The measure will further increase expenditures in future years as the plan is implemented and gray wolf reintroduction commences.

Economic impacts. Game species, such as deer and elk, may become prey for grey wolves, if these wolves are reintroduced. To the extent that this reduces the quantity of animals available for hunting, reintroduction may decrease revenue for businesses that facilitate hunting, and may decrease state and local government revenue from hunting-related fees and taxes. Conversely, the presence of gray wolves may have a positive effect on the health of some ecosystems, which may promote participation in non-consumptive forms of outdoor recreation. This may increase income and revenue to businesses and governments that facilitate these activities.