

d

Paper #664 Forestry Education & Partnerships

Alternative 2

Notes: Go with the gov plus a necessary accounting change.

OK

Gardok



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 29, 2001

Joint Committee on Finance

Paper #664

### Forestry Education and Partnerships (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 480, #8]

#### CURRENT LAW

The forestry account provides \$50,000 annually to the University of Wisconsin -- Madison Center for Cooperatives to award grants to persons in order to form forestry cooperatives that consist primarily of private, non-industrial forest owners. Currently, funds are being used by the Center for Cooperatives to conduct workshops on the formation of wood cooperatives.

#### GOVERNOR

Provide \$100,000 annually from the forestry account for sustainable forestry education projects for woodland owners. In addition, provide \$100,000 annually from the forestry account to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations).

#### DISCUSSION POINTS

1. Under the bill, \$100,000 is provided annually for sustainable forestry education projects for woodland owners. Funds would support conferences on best management practices that have been developed with other DNR forestry partners, including University of Wisconsin Extension, Wisconsin Woodland Owners Association, the Forest Productivity Council, Woodland School, and the Nature Conservancy. Under the bill, approximately \$17,000 would be designated for conferences focusing on sustainable forestry and best-management practices to train approximately 3,000 landowners annually. In addition, approximately \$48,000 annually would be used for forestry assistance advertising, publications, and sustainable forestry promotional material

for use by the Wisconsin Woodland Owners Association, the Association of Realtors, Farm Bureau, or other external partners who have contact with landowners. The Department anticipates reaching 20,000 landowners annually with forestry management information through this effort. Funding would also be available for the operation of Stewardship Demonstration Forests throughout the state as showcases of good forestry practices. These forests would range from 40 to 400 acres in size, and are intended to showcase good forestry practices. The \$21,000 provided annually under the bill would be used to complete forest management activities, brush out and maintain access roads and trails, provide tours of the forests, and print trail guides. The Department anticipates the demonstration forests to draw in excess of 8,000 visitors annually. Finally, \$14,000 would be provided to print and mail a Forest Tax/Forest Stewardship newsletter to approximately 25,000 Forest Tax Law participants, as well as town officials, consultant foresters, and other interested persons. The newsletter would provide information on sustainable forestry as well as reminders about compliance with program requirements.

2. The \$100,000 provided under SB 55 to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations) would be used in several ways. Half of the annual allocation (\$50,000 each year) would be used to contract with a private, non-profit cooperative development service to assist with the development of business plans and incorporation of wood cooperatives or associations. DNR anticipates involving approximately 500 land owners each year, and incorporating two wood cooperatives or landowner associations by the end of the biennium. This funding is intended to continue to build on work begun through cooperation with the University of Wisconsin over the last two years. With this funding, the UW Center for Cooperatives would continue to provide grants and development services to assist in the formation of various forestry cooperatives statewide, as well as providing educational programs and best-management conferences to assist landowners in determining when to seek professional forestry guidance and how, in many cases, to help themselves. However, 1999 Act 9 provided \$50,000 annually in ongoing funding for these services. Several projects that received funding, services, or development support as part of this initiative include the Sustainable Woods Cooperative, Wisconsin Family Forests, the Northern Wisconsin Wood Cooperative, the Kickapoo Wood Cooperative, and the Hiawatha Sustainable Woods Cooperative. Examples of supported development activities include the construction of a solar kiln used by one of the cooperatives to dry wood harvested from their sustainably managed forest, and the implementation of a pilot project to produce wood flooring for home builders. Other cooperatives have focused on educating members on sustainable forestry management, developing marketing approaches for their products, and investigating "value-added" production processes. Cooperatives that are able to produce value-added products (such as kiln-dried lumber or hardwood flooring) are generally able to generate a better return for its members than would be achieved by selling raw lumber. DNR and UW anticipate that the continuation of development services will increase the number of viable and self-sustaining wood cooperatives throughout the state.

3. When DNR proposed funding for this initiative as part of its biennial budget request, it assumed that the funding provided under 1999 Act 9 was one-time only, and that \$50,000 annually would be required to continue these efforts. However, as the \$50,000 provided in the 1999-01 biennial budget was an ongoing appropriation, this provision could be supported from the

available funds. Therefore, no additional expenditure authority would be required under SB 55 to support this program.

4. The Department plans on using the remaining \$50,000 annually to contract with UW Extension to develop educational programs focusing on woodland manager techniques and leadership as part of this initiative. Funds would be used for educational programs, organizational assistance, and meeting expenses to foster the new partnerships. The concept for the Woodland Leader Institute was derived from the Lake Leaders Institute -- approximately 150 landowners will be trained each year in woodland management and sustainable forestry, with the understanding that these individuals will work with neighbors and communities throughout the state providing forestry assistance and wood management planning services. The Master Woodland Stewards program (based on the Master Gardners program at University of Wisconsin -- Stevens Point) would provide more intensive instruction to approximately 30 people annually. In addition to forestry and woodland manager training, instruction would be provided on building organizations and cooperatives, and management skills needed to lead community organizations. Participants in this program are expected to provide leadership for existing or newly-formed cooperatives and community groups; in addition, they could potentially fill directorship positions within existing organizations such as the Wisconsin Woodland Owners Association.

5. It is argued that supporting these educational programs may increase the level of forestry management expertise within communities and would provide some business training to aid in the development of forestry cooperatives. On the other hand, to the extent that successful wood cooperatives provide a profitable venture for its members, it could be argued that forestry cooperatives (like most other businesses) should not be subsidized with public money at the expense of self-supporting producers. In addition, if educational programs developed in cooperation with DNR and UW are necessary and beneficial to the targeted community, courses may be marketed as such, and the costs associated with them funded by the participants (and beneficiaries).

6. However, given that the mission of the Forestry Division includes promoting sustainable forest management among non-industrial private landowners, these initiatives may be viewed as consistent with that goal.

## ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$100,000 SEG annually from the forestry account for sustainable forestry education projects for woodland owners. In addition, provide \$100,000 SEG annually from the forestry account to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations).

| <u>Alternative 1</u>             | <u>SEG</u> |
|----------------------------------|------------|
| 2001-03 FUNDING (Change to Base) | \$400,000  |
| [Change to Bill]                 | \$0]       |

2. Approve the Governor's recommendation to provide \$100,000 SEG annually from the forestry account for sustainable forestry education projects for woodland owners. Further, provide \$50,000 annually to encourage innovative partnerships among landowners. (Rather than \$100,000 under the bill, in recognition of the continuing funding provided under 1999 Act 9.)

| <b>Alternative 2</b>             | <b>SEG</b>   |
|----------------------------------|--------------|
| 2001-03 FUNDING (Change to Base) | \$300,000    |
| [Change to Bill]                 | - \$100,000] |

3. Maintain current law.

| <b>Alternative 3</b>             | <b>SEG</b>   |
|----------------------------------|--------------|
| 2001-03 FUNDING (Change to Base) | \$0          |
| [Change to Bill]                 | - \$400,000] |

Prepared by: Rebecca Hotynski

MO# Alt 2

|           |                                  |   |   |
|-----------|----------------------------------|---|---|
| BURKE     | <input checked="" type="radio"/> | N | A |
| DECKER    | <input checked="" type="radio"/> | N | A |
| MOORE     | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| PLACHE    | <input checked="" type="radio"/> | N | A |
| WIRCH     | <input checked="" type="radio"/> | N | A |
| DARLING   | <input checked="" type="radio"/> | N | A |
| WELCH     | <input checked="" type="radio"/> | N | A |
|           |                                  |   |   |
| GARD      | <input checked="" type="radio"/> | N | A |
| KAUFERT   | <input checked="" type="radio"/> | N | A |
| ALBERS    | <input checked="" type="radio"/> | N | A |
| DUFF      | <input checked="" type="radio"/> | N | A |
| WARD      | <input checked="" type="radio"/> | N | A |
| HUEBSCH   | <input checked="" type="radio"/> | N | A |
| HUBER     | <input checked="" type="radio"/> | N | A |
| COGGS     | <input checked="" type="radio"/> | N | A |

AYE 16 NO 0 ABS \_\_\_\_\_

Paper #665 Forestry Demonstration Center (County Grounds)

Alternative 1 (unless Ament wants otherwise)

Notes: Go with the gov. Heinen and Rep. Walker say this is one of the few consensus issues surrounding the county grounds matter. Rep. Walker called personally to seek Brian's support.

Plache, Shibilski, Wirth - 2  
Huber  
Decker - 3 or 2

---

Moore }  
Coggins } 1

no consensus

Card motion - 1 plus - no agreement  
if land contains arsenic.



# Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 29, 2001

Joint Committee on Finance

Paper #665

## Forestry Demonstration Center (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 481, #9]

### CURRENT LAW

State forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality, production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics.

The Department operates state forests under two separate administrative structures. The northern state forests (15 properties) are operated by DNR forestry staff in a manner that tends to focus on the enhancement of their timber resources. Seven southern forest properties are operated by state parks personnel and are managed in a manner that tends to give priority to their recreational value. DNR also operates three tree nurseries (Hayward, Boscobel, and Wisconsin Rapids) which produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Each year, the nursery distributes between 18 million and 20 million seedlings.

### GOVERNOR

Provide \$400,000 in 2001-02 from the forestry account to begin planning for a Forestry Demonstration and Education Center to be built on the Milwaukee County grounds in the City of Wauwatosa.

### DISCUSSION POINTS

1. Funding provided under the bill would be one-time, and would support the development of preliminary plans and a concept and budget report for the forestry center and the

property development. Overall project costs (over four or more years) are estimated at \$15 to \$30 million for buildings, grounds, displays, demonstration areas and a state forest. Stewardship 2000 program bonding the forestry account have been identified as potential state funding sources for the project.

2. Preliminary plans for the demonstration center include a 20,000 square foot facility containing an artificial forest depicting Wisconsin's forest ecosystems. Plans include space for classrooms, interactive interpretive stations emphasizing the economic, social, and ecological value of forests, and a 200-person theatre. The building would also include a demonstration area where carpenters could volunteer to show how wood is converted into various household products. Development of the grounds would include a portable sawmill and milling machines to be used to demonstrate how trees are converted to lumber and molding. The 235-acre northeast quadrant of the Milwaukee County grounds already contains 50 acres of mature hardwood forest, which may be expanded by an additional nine acres under the proposal, and would be incorporated in tours and demonstrations. The amount of land purchased or leased by the state could total 110 acres or more. The surrounding area is primarily green space, and would include a planned 48-acre stormwater retention pond to be constructed by MMSD to alleviate flooding problems along the Menomonee River. The retention pond would be owned by MMSD, but would be managed by DNR as a wetlands area. A report by the University of Wisconsin-Milwaukee indicates that the area where MMSD is proposing to construct its pond is the site of a former tree nursery, and contains residual amounts of arsenic. The Department indicates that it would be the responsibility of MMSD to address this issue while constructing the retaining pond.

3. The Department had considered an expanded project beyond the 110-acre parcel. However, due to cost concerns and the results of a report prepared by the University of Wisconsin-Milwaukee detailing potential difficulties with developing the larger site, DNR has indicated that it is no longer interested in pursuing a larger project. The report from UW Milwaukee identified a number of additional site-related concerns with adjoining parcels, and suggested that further study of the site may be recommended. Specifically, the presence of 13 building demolition sites, the presence of two landfills (one of which accepted pesticides and herbicides), two cemeteries, an incinerator, and a possible coal-ash landfill were identified.

4. The Department anticipates the development, construction, and operation of the forestry educational center to be a cooperative endeavor. Potential partners cited by DNR include the Milwaukee County Parks Department, Milwaukee Metropolitan Sewerage District, City of Milwaukee Forestry Department, City of Wauwatosa Forestry Department, Wisconsin Woodland Owners Association, Wisconsin County Forest Association, Lakes States Lumber Association, Wisconsin-Michigan Timber Producer's Association, Wisconsin Paper Council, Natural Resources Foundation, Milwaukee Area Convention and Visitor's Bureau, Wisconsin Christmas Tree Growers Association, Wisconsin Nursery Association, DOT, DPI, DATCP, WCC, Commerce, U.S. Forest Service, Natural Resources Conservation Service, State Historical Society, Trees for Tomorrow Environmental Center, University of Wisconsin-Extension, United Paper Workers, the Governor's Council on Forestry, as well as individual corporate sponsors. DNR indicates that the facility would be constructed and operated in cooperation with one or more of these partnerships. Funds and in-



kind contributions are expected from several of these organizations; DNR indicates that several lumber-producing organizations have already pledged to donate materials needed for the construction of the demonstration center. Current plans also include involving the Wisconsin Conservation Corp in site development and construction work. Should these partnerships develop to meet DNR's expectations, some of the anticipated \$15 to \$30 million cost of the construction of the demonstration center and the surrounding grounds would be provided by a variety of organizations, groups, and local governments.

5. The proposal calls for DNR to purchase or secure a permanent conservation easement on an adequate amount of land to provide space for a building, parking lot, outside demonstration area, and surrounding woodlands. Negotiations on the cost of this property would be entered into with Milwaukee County after the feasibility study for the project is completed. Milwaukee County officials expressed a strong interest in locating the forestry demonstration center on the county grounds, in lieu of other development options. Local residents were also concerned that private industrial development might alter the current appearance of the grounds away from green space (including existing forested land) towards a more developed urban landscape.

6. Given that Milwaukee County is negotiating for payment for use of the grounds (despite the investment that the state is considering to develop a forestry demonstration and education center), it may be argued that the state would benefit from considering other location options. The construction and implementation of this project represents a substantial investment by the state. Current estimates place the cost of the project at \$15 to \$30 million dollars. It may be argued that the benefits to the local community from preserving green space, increased tourism and aesthetic improvements associated with the center merit a contribution to the project from the county. Some have argued the county could donate the property or an easement to the state for development of the facility. As the property is currently under county ownership, it does not generate tax income for the City of Wauwatosa or for Milwaukee County. Preliminary estimates indicate that DNR may pay the county approximately \$1 million to acquire a portion of the property and lease the remainder for approximately \$300,000 annually. The lease payment would be in addition to payments in lieu of taxes made to the county for the land purchased by the state. These payments would be estimated at \$32,200 annually, based on a purchase price of \$1 million and the local tax rate of \$32.16 per \$1,000 of property value. Several nearby properties would offer the advantage of not requiring the purchase of property, and have been suggested as potential locations for the forestry education center – Havenwoods State Forest and State Fair Park. Another possibility would be the 21,000-acre Southern Kettle Moraine State Forest.

7. The Department has expressed reservations regarding constructing a forestry demonstration center at State Fair Park. While State Fair Park is centrally located, and may increase attendance to the facility by association with other venues located at the park, there is a comparable lack of green space available for the center. The grounds would not provide a suitable location for a demonstration forest or tree nursery, which DNR considers central to this project.

8. Havenwoods State Forest in Milwaukee features 237 acres of land with 6.5 miles of trails, an arboretum, and a number of teaching gardens, including areas for youth organization

gardens. The Havenwoods Environmental Awareness Center facilitates educational programs associated with school field trips, educator workshops, adult forums, preschool story times, family nature activities, and community festivals. It may be argued that Havenwoods, as an established State Forest, may be a better location for a forestry demonstration center. The Department has established relationships with local schools and educators through this location, making it a familiar resource. In addition, the state would not be required to purchase additional land or easements to construct the facility.

9. DNR raised several concerns regarding expanding use at Havenwoods to include a forestry demonstration center. They argue that Havenwoods already has a specific focus and identity within the community, and altering its mission to focus on forest products would take away from other valuable resources that the center and its programs already provide. The property was largely developed through community efforts from an abandoned municipal landfill site, and serves a variety of purposes largely directed by the community members and DNR staff that restored the property. The demonstration and teaching gardens, hiking trails, arboretum and environmental center provide environmental education programs that reflect the diversity of resources and community interests associated with the property, while encouraging community participation. It may be argued that developing a proposal with the size and scope of the forestry demonstration center on this site would significantly alter and potentially overshadow the current program. Developing the forestry center in a separate location could maintain urban green space and expand conservation education opportunities to the Milwaukee area, rather than redirecting the mission of an existing community project. In addition, the scope of the forestry demonstration project may not be compatible with available development space at the State Forest.

10. Given the lack of detail available regarding the development of the forestry demonstration and education center and the concerns raised over its potential location and costs, it may be argued that providing \$400,000 to advance the planning of construction is premature. Alternatively, DNR could solicit support from Milwaukee County and its list of potential partners to investigate alternative sites and potential sources of funding other than forestry account SEG. Others argue that given the substantial payments that Milwaukee County property owners provide for the forestry account (through the statewide mill tax) that a substantial investment of forestry account revenues is appropriate for this project.

### ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$400,000 in 2001-02 from the forestry account to begin planning for a Forestry Demonstration and Education Center which would be built on the Milwaukee County grounds.

| Alternative 1                    | SEG       |
|----------------------------------|-----------|
| 2001-03 FUNDING (Change to Base) | \$400,000 |
| [Change to Bill]                 | \$0       |

2. Approve the Governor's recommendation to provide funding to begin planning for a Forestry Demonstration and Education Center. However, direct DNR as part of its development process to conduct a review of alternative locations in Milwaukee County or Southeastern Wisconsin that may be suitable for this project.

| <u>Alternative 2</u>             | <u>SEG</u> |
|----------------------------------|------------|
| 2001-03 FUNDING (Change to Base) | \$400,000  |
| [Change to Bill]                 | \$0        |

3. Maintain current law.

| <u>Alternative 3</u>             | <u>SEG</u> |
|----------------------------------|------------|
| 2001-03 FUNDING (Change to Base) | \$0        |
| [Change to Bill]                 | \$400,000  |

Prepared by: Rebecca Hotynski

MO# Att 1

|           |   |   |   |
|-----------|---|---|---|
| BURKE     | Y | N | A |
| DECKER    | Y | N | A |
| MOORE     | Y | N | A |
| SHIBILSKI | Y | N | A |
| PLACHE    | Y | N | A |
| WIRCH     | Y | N | A |
| DARLING   | Y | N | A |
| WELCH     | Y | N | A |
| GARD      | Y | N | A |
| KAUFERT   | Y | N | A |
| ALBERS    | Y | N | A |
| DUFF      | Y | N | A |
| WARD      | Y | N | A |
| HUEBSCH   | Y | N | A |
| HUBER     | Y | N | A |
| COGGS     | Y | N | A |

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

NATURAL RESOURCES -- FORESTRY AND PARKS

Forestry Demonstration and Education Center

[LFB Paper #665]

Motion:

Move to provide \$400,000 from the forestry account for funding to begin planning for a Forestry Demonstration and Education Center. However, direct DNR as part of its development process to conduct a review of alternative locations in Milwaukee County, including Havenwoods, or Southeastern Wisconsin that may be suitable for this project. ~~Place the funds in the Joint Finance Committee appropriation for release by the Committee upon approval of a plan under s. 13.10 for the center to be submitted by the DNR.~~

MO# motions 1024 + 1009  
together

|           |     |     |   |
|-----------|-----|-----|---|
| BURKE     | (Y) | N   | A |
| DECKER    | (Y) | N   | A |
| MOORE     | (Y) | N   | A |
| SHIBILSKI | (Y) | N   | A |
| PLACHE    | (Y) | N   | A |
| WIRCH     | (Y) | N   | A |
| DARLING   | Y   | (N) | A |
| WELCH     | Y   | (N) | A |
|           |     |     |   |
| GARD      | (Y) | N   | A |
| KAUFERT   | Y   | (N) | A |
| ALBERS    | (Y) | N   | A |
| DUFF      | (Y) | N   | A |
| WARD      | Y   | (N) | A |
| HUEBSCH   | (Y) | N   | A |
| HUBER     | (Y) | N   | A |
| COGGS     | (Y) | N   | A |

AYE 12 NO 4 ABS \_\_\_\_\_

NATURAL RESOURCES – FORESTRY AND PARKS

Foresters  
[LFB Paper #665]

Motion:

~~Move to restrict any DNR ownership interest in Milwaukee County Grounds to the 110-acre area north of Swan Boulevard and south of Underwood, bounded by Highway 45.~~ In addition, prohibit DNR from obtaining any property that is known to contain residual amounts of arsenic or other contaminants at levels that may pose a danger to public health. Finally, require DNR to submit any proposed purchase of rights in the Milwaukee County Grounds to the Joint Committee on Finance under a 14-day passive review process.

Paper #666 Forestry Demonstration Center (County Grounds)

Alternative 1 & 3(a) Part A  
1 Part B

Notes: Go with the gov plus add some money for more grants, and expand eligibility as the gov requested.

BURKE MOTION: Earmark \$50,000 a year for the Greening Milwaukee program, where trees are planted on private properties to reduce air pollution, lower energy costs and beautify the city.

Shibiltski motion - Heather Mann  
Urban Open Space  
\$150,000 per year

Huber  
Decker  
Wirth  
Shibiltski

} B-2

A-1, 3(a)

-OK

Cond - A2  
B-1



## Legislative Fiscal Bureau

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May 29, 2001

Joint Committee on Finance

Paper #666

### Urban Forestry Grant Program (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 481, #11]

#### CURRENT LAW

Under the urban forestry grant program, DNR awards grants to cities and villages for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under DNR administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000. Funding of \$529,900 is available annually. Of this amount, \$50,000 annually has been earmarked for the City of Milwaukee for a tree planting demonstration project on a one-time basis in both the 1997-99 and 1999-01 biennia.

#### GOVERNOR

Provide \$172,000 in 2001-02 and \$165,000 in 2002-03 from the forestry account to contract for urban forestry specialists to provide technical assistance, education, and training to communities in south central and northeast Wisconsin. In addition, expand eligibility for the urban forestry grant program to include counties, towns, and non-profit organizations.

#### DISCUSSION POINTS

1. In conjunction with the urban forestry grant program, DNR has six regional urban forestry coordinators and two federally funded limited-term employees that provide a variety of services to communities. These staff help local governments initiate forestry programs, administer grants, undertake public relations and educational efforts related to urban forestry, and provide

forestry technical and administrative support to groups participating in the program. The Department indicates that demand for staff services associated with the urban forestry grant program has increased by approximately 50%. Contracting for forestry technical support and educational services is intended to address this demand, particularly in the south central and northeast regions of the state, where there is currently the greatest demand. Funds would be used to contract for 4,000 hours of specialist support and 2,000 hours of program assistance. The specialists would focus on urban forest ecosystem management in the south central and northeast regions of the state, working in cooperation with DNR regional staff.

2. Direction to contract for services was provided by DOA in the interest of involving the private sector in these types of projects, and to potentially capitalize on the emerging supply of private forestry contractors. However, the funds provided under the bill to contract for 4,000 hours of specialist support and 2,000 hours of program assistance could instead be used to fund Department staff. Providing 2.0 foresters and 1.0 program assistant position would require \$129,200 in 2001-02 and \$157,000 in 2002-03 (a reduction of \$50,800 in the biennium compared to the bill).

3. In addition to the \$529,900 in forestry SEG available annually for urban forestry grants, DNR indicates that it makes additional federal funding (provided under a grant from the United States Forest Service) available. In fiscal year 1999-00, \$90,000 in federal funding was available for grants. DNR received 78 applications requesting a total of \$911,000 in funding. Of these, 46 applications (59%) were funded, and all funds were committed. In fiscal year 2000-01, \$87,800 in federal funding was available for grants (\$617,700 total). The Department received 77 applications requesting a total of \$887,700, and provided funding for 55 (71%) of those. All available funds were committed. The size of the grants ranged from \$2,700 to the Village of Readstown in Vernon County for tree and shrub planting to six communities each receiving the maximum allowable grant amount of \$25,000 (the Cities of Altoona, Evansville, Galesville, Merrill, and New Berlin, and the Village of Oak Creek). From this perspective, it may be argued that additional funds could be provided to meet grant demands as well as increasing forestry technical support. However, DNR did not request additional urban forestry grant funds in its 2001-03 budget request.

4. Under SB 55 (including the Building Commission's recommendations and the actions of the Joint Committee on Finance to date), the forestry account of the conservation fund is anticipated to have a balance of \$2.5 million on June 30, 2003. This balance would increase if the Committee does not approve the Building Commission's recommendation to use \$2.4 million of forestry account SEG for the construction of a visitor's center at the Kickapoo Valley Reserve.

5. Since it is not restricted from funding other groups with available federal monies, DNR indicates that it currently funds grant requests under the federal program from counties, towns, and non-profit organizations. However, the Department is limited to meeting requests from these groups with funding available from the United State Forest Service. In 1999-00, DNR received 15 grant applications from counties, towns, and non-profit organizations requesting \$172,900. In 2000-01, 22 applications were received requesting \$253,100. The Department argues that expanding eligibility to include counties, towns, and non-profit organizations would streamline the grant



process. Currently, DNR is responsible for ensuring that only cities and villages receive state funding, while federal awards may be distributed to any applicant. In addition, expanding eligibility would arguably improve the competitive nature of the grant process – applications may be funded based entirely on program criteria, allowing towns and counties to compete evenly with cities and villages.

6. However, it may be argued that as an "urban" forestry grant program, the majority of the available support should continue to be allocated to cities and villages. Further, since the forestry mill tax, a state-wide property tax of 20¢ per \$1,000 of property value, is the primary source of revenue to the forestry account (\$53.3 million in 1999-00) some argue that the urban forestry program is one of the few forestry programs that returns a portion of those funds directly to urban communities that pay the mill tax. Also, expanding eligibility to counties, towns, and non-profit organizations would increase demand for limited program funds.

## ALTERNATIVES TO BASE

### A. Program Funding

1. Approve the Governor's recommendation to provide \$172,000 in 2001-02 and \$165,000 in 2002-03 from the forestry account to contract for urban forestry specialists to provide technical assistance, education, and training to communities in south central and northeast Wisconsin.

| <u>Alternative A1</u>            | <u>SEG</u> |
|----------------------------------|------------|
| 2001-03 FUNDING (Change to Base) | \$337,000  |
| [Change to Bill]                 | [\$0]      |

2. Provide \$129,200 in 2001-02 and \$157,000 in 2002-03 with 2.0 forester positions and 1.0 program assistant to provide technical assistance, education, and training primarily to communities in south central and northeast Wisconsin.

| <u>Alternative A2</u>              | <u>SEG</u> |
|------------------------------------|------------|
| 2001-03 FUNDING (Change to Base)   | \$286,200  |
| [Change to Bill]                   | - \$50,800 |
| 2002-03 POSITIONS (Change to Base) | 3.00       |
| [Change to Bill]                   | 3.00]      |

3. In addition, provide forestry SEG in the following annual amount to increase funds available for grant awards:

a. \$100,000

|                                  |            |
|----------------------------------|------------|
| <b>Alternative A3a</b>           | <b>SEG</b> |
| 2001-03 FUNDING (Change to Base) | \$200,000  |
| [Change to Bill]                 | \$200,000] |

b. \$200,000

|                                  |            |
|----------------------------------|------------|
| <b>Alternative A3b</b>           | <b>SEG</b> |
| 2001-03 FUNDING (Change to Base) | \$400,000  |
| [Change to Bill]                 | \$400,000] |

4. Maintain current law.

|                                  |             |
|----------------------------------|-------------|
| <b>Alternative A3</b>            | <b>SEG</b>  |
| 2001-03 FUNDING (Change to Base) | \$0         |
| [Change to Bill]                 | -\$337,000] |

**B. Program Eligibility**

1. Approve the Governor's recommendation to expand eligibility for the urban forestry grant program to include counties, towns, and non-profit organizations.

2. Maintain current law.

Prepared by: Rebecca Hotynski

MO# A-1 + motion 943

|           |                                  |   |   |
|-----------|----------------------------------|---|---|
| BURKE     | <input checked="" type="radio"/> | N | A |
| DECKER    | <input checked="" type="radio"/> | N | A |
| MOORE     | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| PLACHE    | <input checked="" type="radio"/> | N | A |
| WIRCH     | <input checked="" type="radio"/> | N | A |
| DARLING   | <input checked="" type="radio"/> | N | A |
| WELCH     | <input checked="" type="radio"/> | N | A |
|           |                                  |   |   |
| GARD      | <input checked="" type="radio"/> | N | A |
| KAUFERT   | <input checked="" type="radio"/> | N | A |
| ALBERS    | <input checked="" type="radio"/> | N | A |
| DUFF      | <input checked="" type="radio"/> | N | A |
| WARD      | <input checked="" type="radio"/> | N | A |
| HUEBSCH   | <input checked="" type="radio"/> | N | A |
| HUBER     | <input checked="" type="radio"/> | N | A |
| COGGS     | <input checked="" type="radio"/> | N | A |

AYE 15 NO 1 ABS \_\_\_\_\_

MO# B-1

|           |                                  |   |   |
|-----------|----------------------------------|---|---|
| BURKE     | <input checked="" type="radio"/> | N | A |
| DECKER    | <input checked="" type="radio"/> | N | A |
| MOORE     | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| PLACHE    | <input checked="" type="radio"/> | N | A |
| WIRCH     | <input checked="" type="radio"/> | N | A |
| DARLING   | <input checked="" type="radio"/> | N | A |
| WELCH     | <input checked="" type="radio"/> | N | A |
|           |                                  |   |   |
| GARD      | <input checked="" type="radio"/> | N | A |
| KAUFERT   | <input checked="" type="radio"/> | N | A |
| ALBERS    | <input checked="" type="radio"/> | N | A |
| DUFF      | <input checked="" type="radio"/> | N | A |
| WARD      | <input checked="" type="radio"/> | N | A |
| HUEBSCH   | <input checked="" type="radio"/> | N | A |
| HUBER     | <input checked="" type="radio"/> | N | A |
| COGGS     | <input checked="" type="radio"/> | N | A |

AYE 12 NO 4 ABS \_\_\_\_\_

NATURAL RESOURCES -- FORESTRY AND PARKS

Milwaukee Tree Planting Demonstration Project

Motion:

Move to earmark \$50,000 annually in the 2001-03 biennium only from the urban forestry grant program for a tree planting demonstration program in Milwaukee.

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Note:

The tree planting program involves the planting of trees on private land, including the central city. The motion would earmark \$50,000 of the \$529,900 provided annually for the urban forestry grant program for Greening Milwaukee, a non-profit organization promoting urban forestry in Milwaukee. A similar earmark was made in both the 1997-99 and 1999-01 budgets.

Paper #667 Forest Fire Emergency Fund Cap

Alternative 1

Notes: Go with the gov and increase the cap.

Alt-1 OK

Card - OK



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 29, 2001

Joint Committee on Finance

Paper #667

### Forest Fire Emergency Fund Cap (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 482, #15]

#### CURRENT LAW

Monies in the forest fire emergency fund represent reimbursements received by DNR from other states and the federal government for assistance provided by Wisconsin for out-of-state fire suppression efforts. There are two continuing appropriations in which payments received are deposited. One appropriation is designated for funds received from other states, the other for funds received from the federal government. Expenditures from these appropriations are limited to forest fire fighting activities. Wisconsin statutes specify that if the sum of the unencumbered balances in both appropriations exceeds \$500,000 at the end of any fiscal year, then the excess amount lapses to the overall balance of the forestry account of the conservation fund. The lapse would first come from the appropriation for payments from other states, with any further lapse directed from the appropriation for payments from the federal government.

#### GOVERNOR

Increase the cap on unencumbered balances contained in the forest fire emergency fund accounts from \$500,000 to \$1 million.

#### DISCUSSION POINTS

1. The Department receives reimbursements from the federal government for expenses incurred by the State for out-of-state fire suppression efforts. Monies received for the regular salary and fringe benefits cost of staff time dedicated to out-of-state fire suppression efforts remains in the fund, contributing to the continuing balance. Funds to reimburse overtime costs, LTE salaries, the use of capital equipment and supplies would be reallocated by DNR back to the unit that incurred

the original expense. For example, if foresters working out of the Barnes Ranger Station (Bayfield County) cooperated with out-of-state forest fire suppression efforts, reimbursements associated with their regular salary and fringe benefits would remain in the forest fire emergency fund. However, funds received to reimburse the costs associated with any supplies or equipment purchased to fight the forest fire, or for overtime incurred during out of state suppression efforts, would be returned to the operating budget of the station.

2. The Department argues that the cost of suppressing forest fires has been increasing, and that \$500,000 may be insufficient to cover expenses associated with a major forest fire, or several fires (if a particularly dry season led to multiple forest fires). Historically, DNR has attempted to maintain a balance of at least \$1 million in the forestry account to address this concern. However, if costs were to exceed the approximately \$500,000 available from the forest fire emergency fund, additional spending authority could be requested from the Joint Committee on Finance under s. 13.10. On the other hand, increasing the cap on the emergency fund would allow DNR to address significant forest fire concerns without potential delays that seeking additional expenditure authority might entail. In addition, it would reduce the pressure to maintain a sizable balance in the forestry account against the possibility of costs associated with forest fire suppression.

3. Both appropriations for the forest fire emergency fund were established in the 1995-97 biennial budget. The following table provides a history of payments to the fund since it was established. With the exception of \$12,700 received as reimbursement from another state in 1999-00, all other funds were received from the federal government.

**Forest Fire Payment Appropriation Totals**

|                           | <u>1995-96</u> | <u>1996-97</u> | <u>1997-98</u> | <u>1998-99</u> | <u>1999-00</u> |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Opening Balance           | \$0            | \$38,000       | -\$393,500     | \$306,900      | \$498,400      |
| Revenue                   | 99,900         | 52,500         | 700,400        | 350,700        | 480,500        |
| Expenditures              | 61,900         | 484,000        | 0              | 159,200        | 416,900        |
| Lapse to Forestry Account | 0              | 0              | 0              | 0              | 62,000         |
| Closing Balance           | \$38,000       | -\$393,500     | \$306,900      | \$498,400      | \$500,000      |

4. As shown in the table, the forest fire emergency fund lapsed \$62,000 in 1999-00, and DNR estimates that approximately \$287,300 will be lapsed from the federal appropriation to the balance of the forestry account in 2000-01. If current law were maintained, any funding in excess of \$500,000 would lapse to the balance of the forestry account (and could be available to DNR through an emergency funding request under s.13.10 for forest fire or other emergency needs). However, DNR argues that increasing the cap to \$1 million would help ensure a greater reserve in case of

extensive forest fires.

### ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to increase the cap on unencumbered balances contained in the forest fire emergency fund accounts from \$500,000 to \$1 million.
2. Maintain current law.

Prepared by: Rebecca Hotynski

MO# Alt 1

|           |   |   |   |
|-----------|---|---|---|
| BURKE     | Y | N | A |
| DECKER    | Y | N | A |
| MOORE     | Y | N | A |
| SHIBILSKI | Y | N | A |
| PLACHE    | Y | N | A |
| WIRCH     | Y | N | A |
| DARLING   | Y | N | A |
| WELCH     | Y | N | A |
|           |   |   |   |
| GARD      | Y | N | A |
| KAUFERT   | Y | N | A |
| ALBERS    | Y | N | A |
| DUFF      | Y | N | A |
| WARD      | Y | N | A |
| HUEBSCH   | Y | N | A |
| HUBER     | Y | N | A |
| COGGS     | Y | N | A |

AYE 10 NO 0 ABS \_\_\_\_\_

Paper #668 State Parks Funding Adjustments

Alternative ~~1~~ 3(a) & (b)

Notes: Go with the gov and make a couple of reasonable fee changes.

3 a - ~~Winn~~ Shibilski no  
3 b - Shibilski no

---

Consensus for 1

Huber motion (668, 669)  
\$4.00 to licensing + reg. & allows  
people into parks for free (WF res.)  
- saves \$12 mil  
- allows DNR some park flexibility  
- uniforms  
- campsites





## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 29, 2001

Joint Committee on Finance

Paper #668

### State Parks Funding Adjustments (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 483, #17& #18]

#### CURRENT LAW

Currently, DNR park staff operate 83 recreational properties open to the public, including 44 state parks, 14 state trails, seven southern forests, and five recreational areas. An estimated 14 million visitors enter the parks and southern forests annually. The recreational properties managed by park staff contain 4,543 campsites, 1,177 acres of picnic areas, and 32 beaches. The state recreation system also includes an extensive network of trails, including: (a) 1,613 miles of hiking trails; (b) 1,579 miles of snowmobile trails; (c) 1,581 miles of bicycle trails (including 1,002 miles of off road mountain bike trails); (d) 593 miles of groomed cross-country ski trails; (e) 543 miles of bridle trails; and (f) 216 miles of nature trails. In addition, the state owns a number of state parks and trails that are operated and maintained by local governments.

Parks account revenues are generated primarily by motor vehicle admissions fees to state parks and camping fees. No admission fee is required for any vehicle that transports a person with a senior citizen recreation card or a conservation patron license. Other revenues include fees for camping reservations, certain trail use fees, golfing at Peninsula State Park and swimming at Blue Mounds State Park. In addition, a portion of the revenue from the sale of conservation patron licenses is deposited in the parks account to reflect the park-related privileges granted to patron license holders.

1995 Act 27 eliminated the requirement that state parks be funded equally from the parks account and the general fund. In 2000-01, state parks operations were budgeted 63% segregated revenues (SEG) from the parks account and 37% GPR.

**GOVERNOR**

Increase certain park vehicle admissions fees as follows:

**TABLE 1**

**State Park Vehicle Admissions Fees**

|                                 | <u>Current Law</u> | <u>Bill</u> | <u>Increase</u> |                |
|---------------------------------|--------------------|-------------|-----------------|----------------|
|                                 |                    |             | <u>Amount</u>   | <u>Percent</u> |
| Resident annual                 | \$18               | \$20        | \$2             | 11%            |
| Senior Citizen annual           | 9                  | 9           | 0               | 0              |
| Additional annual*              | 9                  | 10          | 1               | 11             |
| Resident daily                  | 5                  | 5           | 0               | 0              |
| Nonresident annual              | 25                 | 30          | 5               | 20             |
| Additional non-resident annual* | 12.50              | 15          | 2.50            | 20             |
| Nonresident daily               | 7                  | 10          | 3               | 43             |

\*Issued to an individual for a second vehicle if a full-price annual sticker has already been purchased.

Increased revenues to the parks account are estimated by the administration at \$875,200 (\$311,700 in 2001-02 and \$563,500 in 2002-03) under the bill. This provision would take effect January 1, 2002, or on the day after publication, whichever is later.

In addition, delete \$1,300,000 in 2001-02 and \$1,050,000 in 2002-03 of parks account SEG in order to balance available revenues with authorized expenditures. The following adjustments are included: (a) delete \$700,000 in 2001-02 and \$550,000 in 2002-03 of parks SEG and provide the same amount of GPR for parks general operations; (b) in order to generate the GPR for parks operations, administration, technology, customer assistance and licensing GPR appropriations would be reduced by \$700,000 in 2001-02 and \$550,000 in 2002-03; (c) to further limit parks SEG expenditures reduce administration, technology, customer assistance and licensing SEG appropriations supported by the parks account by \$600,000 in 2001-02 and \$500,000 in 2002-03. Under the bill (and in conjunction with a one-time transfer of \$1,718,000 from tribal gaming revenue described separately) the parks account would be expected to have a June 30, 2003, balance of approximately \$530,000. Administration-related GPR and SEG reductions under the bill would be taken from funds appropriated for supplies and services (no staff salary related reductions would be made) as follows:

|  | <u>2001-02</u>        | <u>2002-03</u>        |
|--|-----------------------|-----------------------|
| <b>Customer Assistance and External Relations</b>    |                       |                       |
| CAER Program Management                              | -\$76,200 GPR         | -\$59,900 GPR         |
|  | -24,600 SEG           | -20,500 SEG           |
| Community Financial Assistance                       | -39,800 GPR           | -31,300 GPR           |
|  | -7,200 SEG            | -6,000 SEG            |
| Communication and Education                          | -5,700 GPR            | -4,500 GPR            |
|  | -25,800 SEG           | -21,500 SEG           |
| Customer Service and Licensing                       | -15,300 GPR           | -12,000 GPR           |
|  | -76,200 SEG           | -63,500 SEG           |
| <b>Administration and Technology</b>                 |                       |                       |
| Human Resources                                      | -4,300 GPR            | -3,400 GPR            |
|  | -62,400 SEG           | -51,700 SEG           |
| Enterprise Information, Technology, and Applications | -153,900 GPR          | -120,900 GPR          |
|  | -102,400 SEG          | -85,400 SEG           |
| Administrative and Field Services                    | -248,400 GPR          | -195,100 GPR          |
|  | -96,100 SEG           | -80,300 SEG           |
| Finance  | -141,000 GPR          | -110,800 GPR          |
|  | -139,400 SEG          | -116,800 SEG          |
| Legal Services                                       | -10,300 GPR           | -8,100 GPR            |
|  | -24,400 SEG           | -20,400 SEG           |
| Administration                                       | -5,100 GPR            | -4,000 GPR            |
|  | -24,400 SEG           | -20,300 SEG           |
| Management and Budget                                | -17,000 SEG           | -13,600 SEG           |
| <b>Total</b>   | <b>-\$1,300,000</b>   | <b>-\$1,050,000</b>   |
|  | <b>-\$600,000 SEG</b> | <b>-\$500,000 SEG</b> |
|  | <b>-\$700,000 GPR</b> | <b>-\$550,000 GPR</b> |

## DISCUSSION POINTS

### License Fees

1. The last increase in state park vehicle admissions fees occurred in 1996. The following table includes a history of vehicle admissions fees.

|   | 1962   | 1968   | 1971   | 1973   | 1980    | 1984    | 1988    | 1990    | 1992    | 1996    |
|---|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| Resident annual                                       | \$2.00 | \$3.00 |        | \$5.00 | \$10.00 | \$12.00 | \$14.00 | \$14.00 | \$15.00 | \$18.00 |
| Additional Annual                                     |        |        |        |        |         |         |         |         | \$7.50  | \$9.00  |
| Resident daily  | \$0.50 | \$1.00 |        | \$1.50 | \$2.00  | \$3.00  | \$3.50  | \$3.50  | \$4.00  | \$5.00  |
| Non-resident annual                                   |        |        | \$6.00 | \$8.00 | \$15.00 | \$20.00 | \$30.00 | \$28.00 | \$24.00 | \$25.00 |
| Additional Annual                                     |        |        |        |        |         |         |         |         | \$12.00 | \$12.50 |
| Non-resident daily                                    |        |        | \$2.00 | \$2.50 | \$3.00  | \$5.00  | \$6.00  | \$6.00  | \$6.00  | \$7.00  |
| Senior citizen annual<br>(recreation card until 1992) |        |        |        |        |         |         |         |         | \$6.50  | \$9.00  |
| Senior citizen daily<br>(recreation card until 1992)  |        |        |        |        |         |         |         |         | \$2.00  | \$3.00  |

2. Until 1992, senior citizens could purchase a recreation card for \$15, which included lifetime small game hunting, fishing, and parks admittance privileges. Beginning in 1996, the senior citizen annual vehicle admissions sticker was priced at one-half the cost of a resident annual park sticker. This allows the same half-price admission sticker to be sold to residents purchasing a sticker for a second vehicle and to senior citizens. Under the bill, the senior citizen annual sticker would remain at \$9, while the resident additional annual sticker would increase to \$10. The Department indicates that this change would necessitate the development of a new sticker for senior citizens, and require programming the change into the Automated License Issuance System (ALIS), for a combined cost of approximately \$10,000 to \$25,000. Since DNR does not distinguish between half-price stickers sold for second vehicles and stickers sold to senior citizens, it is difficult to estimate the fiscal effect of increasing the half-price additional annual sticker to \$10 while maintaining the senior citizen admission sticker at the \$9 rate. Assuming that an equal proportion of half-price stickers are for additional annual sales and for senior citizens, then increasing the fee from \$9 to \$10 for senior citizens would be expected to generate \$3,900 in 2001-02 and \$10,500 in 2002-03. In addition, this would allow the current practice of using one discounted sticker to continue (rather than creating separate admissions stickers for senior citizens and additional annual stickers).

3. Historically, significantly increasing the cost of parks admission stickers has lead to reductions in sales due to price resistant behavior in consumers. However, variations in annual attendance seem to vary strongly with seasonal weather conditions as well. While increasing the cost of vehicle admissions stickers may lead to a decrease in sales, it is likely that the overall sales trend will also be affected by the quality of the weather.

### **Parks Account Funding Structure**

4. As part of its December 21, 1999, request to the Joint Committee on Finance under s.13.10, DNR received a total of \$581,100 SEG in 1999-00 and \$903,600 SEG in 2000-01 and 21.14 positions to increase staffing at various parks properties. While this request had the potential to create a structural imbalance to the parks account of over \$1 million, the Department argued that increased staffing would make parks more attractive to visitors as the quality of customer service and educational opportunities would improve. In addition, DNR contended that providing staff to

extend the monitoring of admissions stations would generate additional revenues due to increased sales of vehicle admissions stickers. Revenues, however, did not increase as expected. Parks staff indicate that the weather played a significant role – most of May, 2000 (including Memorial Day weekend) was rainy, and a number of parks (including Devil's Lake State Park) were closed periodically in June due to flooding. In addition, trail areas and campsites throughout the system experienced washouts due to the heavy rainfall.

5. Parks account expenditures exceeded revenues by approximately \$1.1 million in 1999-00. In 2000-01, ongoing expenditures are expected to exceed revenues to the parks account by \$1.7 million. In addition, 1999 Act 9 required DNR to lapse \$630,000 in 1999-00 and \$500,000 in 2000-01 from the parks account to the general fund. The parks account is projected to have a \$300,000 deficit on June 30, 2001. If current expenditure and revenue trends were allowed to continue, it is estimated that the parks account would have a balance of approximately -\$3.6 million on June 30, 2003.

6. Under the bill, the structural imbalance within the parks account would be addressed in two ways. First, the cost of vehicle admissions stickers would be increased, generating additional revenue. The administration's estimates of this revenue increase may be overstated, however. After adjustments were made to reflect historical levels of price resistance and that a portion of admissions fees related to state forest operations are deposited in the forestry account, revised estimates indicate that parks account revenues are likely to increase by \$621,500 in the biennium (\$203,600 in 2001-02 and \$417,900 in 2002-03) over the base, generating approximately \$253,700 less over the biennium than assumed during the development of the executive budget.

7. The second approach to balancing the parks account focuses on reducing expenditures. Under the bill, expenditures from the parks account would be reduced by \$1.3 million in 2001-02 and \$1.05 million in 2002-03. This reduction, combined with the increase in revenues from vehicle admissions stickers, would reduce the imbalance between revenues and expenditures to -\$100,000 in 2002-03. As a result, under the bill state parks operations would be budgeted as shown in the following table. GPR support of parks operations would go from 37% of base expenditures to 40% in 2002-03 under the bill, while parks SEG would decline from 63% to 60%.

| <u>SB 55</u>           | <u>2000-01</u>   | <u>2001-02</u>   | <u>2002-03</u>   | <u>Percent</u><br><u>2002-03</u> |
|------------------------|------------------|------------------|------------------|----------------------------------|
| GPR                    | \$,176,500       | \$5,926,000      | \$5,777,600      | 40%                              |
| <u>SEG</u>             | <u>8,907,000</u> | <u>8,497,700</u> | <u>8,647,700</u> | 60%                              |
| Total Parks Operations | \$14,083,500     | \$14,423,700     | \$14,425,300     |                                  |

8. Under the bill, parks SEG expenditure authority for administration, technology, and customer assistance and licensing services would be reduced by \$600,000 in 2001-02 and \$500,000 in 2002-03. The remaining adjustment would shift funding for parks operations from parks SEG to

GPR to maintain current parks operations. This parks operations SEG reduction of \$700,000 in 2001-02 and \$550,000 in 2002-03 would be replaced by GPR for parks operations that is generated from GPR reductions in funding to the Divisions of Administration and Technology and Customer Assistance and External Relations (CAER).

9. As the SEG reductions were also compensated for by programs in these two divisions, Administration and Technology and CAER would absorb the entire funding adjustment. Under the bill, these Administration and Technology general operations appropriations are provided approximately \$24.6 million (\$8.5 million GPR and \$16.1 million SEG) annually and CAER approximately \$15.5 million (\$2.5 million GPR and \$13 million SEG). DOA has indicated that these adjustments would not require reductions in staffing, and could be absorbed with funds allocated for permanent property, supplies and services. DNR has indicated that while it would absorb a portion of the reductions from the supplies and services lines of the designated appropriations, the reduction would represent an approximately 4% loss in the total non-salary related budget for these two divisions. Further, the adjustments would represent a reduction in the supplies and services lines of the four general operations appropriations for Administration and Technology and CAER where the reductions are made of roughly 8% annually. The Department argues that amounts budgeted in the supplies and services lines include a number of non-discretionary and fixed costs, including rental fees, insurance premiums, and data processing chargebacks to DOA. Therefore, DNR believes various CAER and Administration and Technology Bureaus may also experience staff-related impacts. DNR has indicated that its eventual plan may include the elimination of some vacant positions and some hiring delays in order to meet the required reductions.

10. In addition to these adjustments, the parks account would receive a one-time transfer of \$1,718,000 in tribal gaming revenues (discussed in a separate Legislative Fiscal Bureau paper). Therefore, total adjustments under the bill, including: (a) parks SEG reductions; (b) GPR increase to parks operations from CAER and Administration and Technology; and (c) tribal gaming revenues would result in an anticipated balance of \$530,000 on June 30, 2003 (as shown in the following table).

**Parks Account Condition Statement**  
(\$ in Millions)

|                          | <u>2000-01</u> | <u>2001-02</u> | <u>2002-03</u> |
|--------------------------|----------------|----------------|----------------|
| Opening Balance - July 1 | \$3.0          | -\$0.3         | \$0.3          |
| <b>Revenue:</b>          |                |                |                |
| Parks Revenue            | 10.3           | 10.7           | 11.2           |
| Tribal Revenue           | <u>0.0</u>     | <u>1.0</u>     | <u>0.7</u>     |
| Total Revenue            | \$10.3         | \$11.7         | \$11.9         |
| Total Available          | \$13.3         | \$11.4         | \$12.2         |
| <b>Expenditures:</b>     | \$12.0         | \$11.0         | \$11.3         |
| Lakeshore State Park     | 1.0            |                |                |
| Lapses                   | -0.3           |                |                |
| Reserves                 | <u>0.3</u>     | <u>0.1</u>     | <u>0.3</u>     |
| Total Expenditures       | \$13.1         | \$11.2         | \$11.6         |
| Lapse to General Fund    | 0.5            | ---            | ---            |
| Closing Balance          | -\$0.3         | \$0.3          | \$0.5          |

11. The restructuring of the parks account funding appropriations was included in SB 55 in order to balance revenues and expenditures to the account over the biennium. As demonstrated above, the parks account is expected to have a balance in excess of \$500,000 at the end of the biennium. From this perspective, it may be argued that an increased level of expenditure from the parks account could be maintained for services received from Administration and Technology and CAER. Providing \$246,200 in 2001-02 and \$249,700 in 2002-03 would decrease the reductions required for these two divisions by 19% in 2001-02 and by 24% in 2002-03. Reductions would be taken as follows:

## Adjusted Reductions

|  | <u>2001-02</u>  | <u>2002-03</u>  |
|--|---|---|
| <b>Customer Assistance and External Relations</b>    |   |   |
| CAER Program Management                              | -\$76,200 GPR<br>-14,500 SEG  | -\$59,900 GPR<br>-10,300 SEG  |
| Community Financial Assistance                       | -39,800 GPR<br>-4,200 SEG   | -31,300 GPR<br>-3,000 SEG   |
| Communication and Education                          | -5,700 GPR<br>-15,200 SEG   | -4,500 GPR<br>-10,800 SEG   |
| Customer Service and Licensing                       | -15,300 GPR<br>-45,000 SEG  | -12,000 GPR<br>-31,800 SEG  |
| <b>Administration and Technology</b>                 |   |   |
| Human Resources                                      | -4,300 GPR<br>-36,800 SEG   | -3,400 GPR<br>-25,900 SEG   |
| Enterprise Information, Technology, and Applications | -153,900 GPR<br>-60,400 SEG   | -120,900 GPR<br>-42,700 SEG   |
| Administrative and Field Services                    | -248,400 GPR<br>-56,700 SEG   | -195,100 GPR<br>-40,200 SEG   |
| Finance  | -141,000 GPR<br>-82,200 SEG   | -110,800 GPR<br>-58,400 SEG   |
| Legal Services                                       | -10,300 GPR<br>-14,400 SEG  | -8,100 GPR<br>-10,200 SEG   |
| Administration                                       | -5,100 GPR<br>-14,400 SEG   | -4,000 GPR<br>-10,200 SEG   |
| Management and Budget                                | <u>-10,000 SEG</u>  | <u>-6,800 SEG</u>   |
| <b>Total</b>   | <b>-\$1,053,800</b><br><b>-\$353,800 SEG</b><br><b>-\$700,000 GPR</b> | <b>-\$800,300</b><br><b>-\$250,300 SEG</b><br><b>-\$550,000 GPR</b> |

12. Some have argued that the tourism and related economic benefits generated from out-of-state visitors to the State Parks is an important factor in the state and local economies. From this view, significantly raising nonresident parks admission fees may be seen as discouraging tourism by out-of-state visitors. For example, while fees for residents would be increased by 11% for annual and daily admissions fees under the bill, non-resident fees would increase by 20% for an annual sticker and 43% for a daily sticker. Applying a rate increase to non-resident vehicle admissions stickers consistent with the increase for residents would result in a \$3 increase (to \$28) for an annual sticker and a \$1 increase (to \$8) for a daily sticker. This change would be expected to reduce projected revenues under the bill by \$44,900 in 2001-02 and by \$91,600 in 2002-03, resulting in an expected June 30, 2003, balance of \$395,000 to the parks accounts (\$410,000 if the



senior citizen stickers is maintained at one-half price).

### ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to increase certain vehicle admissions fees as shown in Table 1. As reestimated, this would generate additional funding of \$203,600 in 2001-02 and \$417,900 in 2002-03. Further, (a) delete \$700,000 in 2001-02 and \$550,000 in 2002-03 of parks SEG and provide the same amount of GPR for parks general operations; (b) in order to generate the GPR for parks operations, administration, technology, customer assistance and licensing GPR appropriations would be reduced by \$700,000 in 2001-02 and \$550,000 in 2002-03; (c) to further limit parks SEG expenditures reduce administration, technology, customer assistance and licensing SEG appropriations supported by the parks account by \$600,000 in 2001-02 and \$500,000 in 2002-03.

| <u>Alternative 1</u>                    | <u>SEG</u>         |
|---|--------------------|
| <b>2002-03 REVENUE</b> (Change to Base) | \$621,500          |
| <i>[Change to Bill]</i>                 | <i>-\$253,700]</i> |
| <b>2001-03 FUNDING</b> (Change to Base) | -\$2,350,000       |
| <i>[Change to Bill]</i>                 | <i>\$0]</i>        |

2. Approve the Governor's recommendations, except restore \$246,200 SEG in 2001-02 and \$249,700 SEG in 2002-03 from the parks account to increase administration, technology, customer assistance, and licensing SEG appropriations funded by the parks account. (Parks SEG reductions to the two Divisions would be \$353,800 in 2001-02 and \$250,300 in 2002-03, compared to \$600,000 in 2001-02 and \$500,000 in 2002-03 under SB 55.)

| <u>Alternative 2</u>                    | <u>SEG</u>         |
|---|--------------------|
| <b>2001-03 REVENUE</b> (Change to Base) | \$621,500          |
| <i>[Change to Bill]</i>                 | <i>-\$253,700]</i> |
| <b>2001-03 FUNDING</b> (Change to Base) | -\$1,854,100       |
| <i>[Change to Bill]</i>                 | <i>\$495,900]</i>  |

3. Approve the Governor's recommendation. In addition, make the following adjustments:

a. Increase the senior citizen annual sticker to \$10 (from \$9). (This would maintain the admission sticker at half the price of a resident annual sticker. Revenue is estimated to increase by \$3,900 in 2001-02 and \$10,500 in 2002-03.)

| <u>Alternative 3a</u>                   | <u>SEG</u>       |
|---|------------------|
| <b>2001-03 REVENUE</b> (Change to Base) | \$14,400         |
| <i>[Change to Bill]</i>                 | <i>\$14,400]</i> |

b. Modify the fee increase for non-resident admissions stickers to \$3 for an annual (from \$25 to \$28) and \$1 for a daily admission (from \$7 to \$8). (This nonresident increase would be consistent with the percentage increase for residents under the bill.)

| Alternative 3b                   | SEG          |
|----------------------------------|--------------|
| 2001-03 REVENUE (Change to Base) | - \$136,500  |
| [Change to Bill]                 | - \$136,500] |

4. Maintain current law. (DNR would be required to reduce Parks expenditures to meet available revenues.)

| Alternative 3                    | SEG          |
|----------------------------------|--------------|
| 2001-03 REVENUE (Change to Base) | \$0          |
| [Change to Bill]                 | - \$875,200] |

Prepared by: Rebecca Hotynski

MO# 1 + 3(a)

|           |                                  |   |   |
|-----------|----------------------------------|---|---|
| BURKE     | <input checked="" type="radio"/> | N | A |
| DECKER    | <input checked="" type="radio"/> | N | A |
| MOORE     | <input checked="" type="radio"/> | N | A |
| SHIBILSKI | <input checked="" type="radio"/> | N | A |
| PLACHE    | <input checked="" type="radio"/> | N | A |
| WIRCH     | <input checked="" type="radio"/> | N | A |
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| WELCH     | <input checked="" type="radio"/> | N | A |
|           |                                  |   |   |
| GARD      | <input checked="" type="radio"/> | N | A |
| KAUFERT   | <input checked="" type="radio"/> | N | A |
| ALBERS    | <input checked="" type="radio"/> | N | A |
| DUFF      | <input checked="" type="radio"/> | N | A |
| WARD      | <input checked="" type="radio"/> | N | A |
| HUEBSCH   | <input checked="" type="radio"/> | N | A |
| HUBER     | <input checked="" type="radio"/> | N | A |
| COGGS     | <input checked="" type="radio"/> | N | A |

AYE 12 NO 4 ABS \_\_\_\_\_

MO# \_\_\_\_\_

|           |   |   |   |
|-----------|---|---|---|
| BURKE     | Y | N | A |
| DECKER    | Y | N | A |
| MOORE     | Y | N | A |
| SHIBILSKI | Y | N | A |
| PLACHE    | Y | N | A |
| WIRCH     | Y | N | A |
| DARLING   | Y | N | A |
| WELCH     | Y | N | A |
|           |   |   |   |
| GARD      | Y | N | A |
| KAUFERT   | Y | N | A |
| ALBERS    | Y | N | A |
| DUFF      | Y | N | A |
| WARD      | Y | N | A |
| HUEBSCH   | Y | N | A |
| HUBER     | Y | N | A |
| COGGS     | Y | N | A |

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_

Paper #669 Funding for New State Park Properties

Alternative 1 & 4

Notes: Hmmm. The new gov didn't provide any funding to help start up the Tommy Thompson State Park. I wonder if there is a "rift" between them. Anyway, FB rightly points out that we need staff and resources to get these new parks underway, especially when we are competing for the national title of best state park system.

1 + 4 ok  
Huber motion includes  
1 + 4  
Gard - 3 + 4



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 29, 2001

Joint Committee on Finance

Paper #669

### Funding for New State Parks Properties (DNR -- Forestry and Parks)

#### CURRENT LAW

The Department of Natural Resources is currently in the process of developing three new state parks, including Milwaukee Lakeshore and the two Centennial State Parks (Capital Springs, in Dane County, and the Tommy G. Thompson/Caldron Falls park in Marinette County).

#### GOVERNOR

No provision.

#### DISCUSSION POINTS

1. On October 7, 1998, Governor Thompson announced that planning was underway for the creation of Milwaukee Lakeshore State Park, extending from Municipal Pier to Harbor Island, including lands north and west of the Summerfest grounds. The approximate 20-acre park would feature urban greenspace, a pedestrian walkway, and a protected harbor. At the December 21, 1999 meeting of the Joint Committee on Finance under 13.10, the Committee approved \$48,300 annually for a park and recreation specialist, as well as \$25,000 in one time funding for a vehicle and computer equipment at Milwaukee Lakeshore Park. In addition, the Committee provided \$6,200 in 1999-00 and \$25,000 in 2000-01 for limited-term employee salary and supplies to begin operations.

2. In honor of the 100<sup>th</sup> anniversary of Wisconsin's State Park system, Governor Thompson announced the creation of two new Centennial State Parks on October 31, 2000. The Governor announced that Caldron Falls Centennial State Park was planned to be located in Marinette County, and the Capital Springs Centennial State Park was planned to be located in Dane

County. The purchase of these properties with funds from the Warren Knowles-Gaylord Nelson Stewardship 2000 program was approved by the Joint Committee on Finance at the December 19, 2000, meeting under s.13.10. At the April 24, 2001 s.13.10 meeting, the Committee approved a one-time transfer of \$12,000 in 2000-01 only from the Division of Administration and Technology to the Division of Land for 2.0 positions to provide a park manager for each of the two Centennial State Parks. Ongoing funding to support these two staff would need to be provided in the biennial budget.

3. The Department is currently involved in negotiations with the City of Milwaukee over the development of the property that will become Milwaukee Lakeshore State Park. At this time, no development has taken place, and DNR is not currently maintaining a parks personnel presence at the site. Until negotiations with the City of Milwaukee are completed and development proceeds, the staff position appropriated for Lakeshore State Park is focusing on duties associated with the development of the Hank Aaron State Trail (also in Milwaukee). This staff support is in addition to base funding for the trail of \$140,000 annually for operations, and an existing project manager position.

4. Master planning work is proceeding for the 326-acre Capital Springs State Park property on Lake Waubesa in Dane County. The parcels purchased by the state will eventually be managed cooperatively with the county, in conjunction with approximately 3,000 acres of state and local park, trail, and recreational lands including Lake Farm County Park (which adjoins the parcel). Dane County anticipates opening approximately 75 campsites on its adjoining property this summer. The Department indicates that it is negotiating with the county to establish a revenue and work-sharing agreement for joint state-county management of the properties. Currently, the Dane County parks staff is providing maintenance services to the state-owned portion of the park property without compensation. These services include mowing and standard property maintenance activities, as well as security services. DNR estimates the value of the services received to be approximately \$25,000 annually. In addition, the County is preparing to open a heritage information center on the county property as part of its park operations, and has offered to provide office space for the Capital Springs State Park superintendent on the premises, eliminating the immediate need for additional construction.

5. The Department indicates that further work needs to be done before master planning for the development and use of the 2,187-acre Caldron Falls property is able to proceed. The Caldron Falls property contains almost four miles of meandering water frontage (less than one mile of straight-line shoreline) along the Caldron Falls flowage on the Peshtigo River, 3,000 feet of frontage on Woods Lake, and 2,300 feet of frontage on Huber Lake. In addition, the property contains over 4,000 feet of trout streams. The property consists mainly of moderately rolling forest land, and includes approximately ten miles of mown trails which could be used for hiking and cross-country skiing. A former owner is residing on the property until June 1, 2001. DNR anticipates utilizing the position and funding provided by the Joint Committee on Finance at the April s.13.10 meeting to maintain a presence after the former owner vacates the property. The property contains a number of improvements and is in a location remote from other DNR park properties, increasing the need for some basic level of supervision to be provided.

6. Final plans to establish the Centennial State Parks were not concluded until after the deadline for agencies to submit budget requests had passed. Consequently, DNR did not request staff or funding for the parks as part of its 2001-03 biennial budget. The Governor did not include positions or funding for either of the Centennial State Parks under SB 55, largely because of the fiscal condition of the account (as discussed in separate LFB budget papers). Now that DNR has had an opportunity to evaluate the properties and formulate a request to address the development and maintenance of these properties, it may be argued that the provision of some additional positions and equipment could be considered.

7. Pressure for resources to develop Capital Springs is alleviated somewhat by the cooperative management efforts extended by Dane County. Staff in the area maintain a presence on the property, and some routine maintenance is provided. DNR indicates that some county capital equipment is available for shared use. In addition, the county has indicated a willingness to provide office space for the State Park superintendent. DNR is negotiating with Dane County to establish a revenue-sharing agreement; however, it may be argued that until such time that the State Park is developed for use and park admissions stickers are required, some compensation could be provided to the county in recognition for the services provided to the State-owned property. Providing \$25,000 annually for DNR to contract with the county for maintenance and security until admissions revenue for the State Park becomes available may be less costly than providing state-owned capital equipment and staff to undertake this responsibility. In addition, continuing the level of funding provided for Capital Springs State Park at the April meeting of the Committee under s.13.10 would enable DNR to retain a parks supervisor for the property who would assume the responsibility for coordinating master planning and development efforts for the property. Providing a parks supervisor position would cost \$49,700 in 2001-02 and \$45,700 in 2002-03. This funding includes one-time costs in the first year associated with new parks staffing, including office supplies and a computer.

8. Due to both the remote location and the features of the property, additional resources may be required for master planning and development efforts at the Caldron Falls State Park in Marinette County. While the Committee provided a park manager position to staff the property until June 30, 2001, DNR indicates that a parks manager 2 position would be preferable. (Parks manager 2 positions also possess law enforcement credentials, which would allow the supervisor to provide security services in addition to assuming the responsibility for coordinating master planning and development efforts for the property.) In addition, DNR indicates that inventories of the animal and plant species present on the property will affect the eventual development plans for the park. In view of this, providing a naturalist position to provide these services at the property may serve to expedite the planning process and development work at the park. This position would work cooperatively with DNR foresters and endangered resource specialists to coordinate resource inventory and planning efforts at the property. In addition, it may be argued that providing some capital equipment for basic property maintenance may be appropriate. Given these resources, it is likely that property development could begin in the second year of the biennium. Providing a park manager 2 position and a natural resource educator would cost \$99,500 in 2001-02 and \$91,400 in 2002-03. These costs include one-time expenses for a vehicle and computers associated with new parks staffing. Supplies and services necessary to provide a year-round presence on the property

include expenses for phone, office supplies, fuel, utilities, refuse collection, grounds maintenance equipment, radios, and a service vehicle would total approximately \$70,000 in 2001-02 and \$30,000 in 2002-03.

9. Alternatively, it could be argued that since master plans must first be developed before property development plans are initiated, the precise needs of the facilities can not be determined at this time. Allocating ongoing funds for the park manager positions provided to each Centennial State Park at the April, 2001, s.13.10 meeting would allow for planning to proceed and would provide a parks staff presence at each site.

10. No date has been set as to when the two Centennial State Parks will generally be open to the public. The Department indicated that this would be decided as property management decisions were made in conjunction with the master planning process, and may depend upon the staff and services available at each of the properties.

### ALTERNATIVES TO BASE

1. Provide \$80,200 in 2001-02 and \$91,300 in 2002-03 and 2.0 positions from parks account SEG for a park manager position at Capital Springs and at Caldron Falls. (This alternative provides ongoing funding for the two staff provided at the April, 2001 s.13.10 meeting.)

| <b>Alternative 1</b>                      | <b>SEG</b> |
|---|------------|
| <b>2001-03 FUNDING</b> (Change to Base)   | \$171,500  |
| [Change to Bill                           | \$171,500] |
| <b>2002-03 POSITIONS</b> (Change to Base) | 2.00       |
| [Change to Bill                           | 2.00]      |

2. Provide \$111,900 in 2001-02 and \$95,000 in 2002-03 and 2.0 positions from parks account SEG for a park manager position at Capital Springs, a park manager 2 position at Caldron Falls, and one-time startup costs.

| <b>Alternative 2</b>                      | <b>SEG</b> |
|---|------------|
| <b>2001-03 FUNDING</b> (Change to Base)   | \$206,900  |
| [Change to Bill                           | \$206,900] |
| <b>2002-03 POSITIONS</b> (Change to Base) | 2.00       |
| [Change to Bill                           | 2.00]      |

3. Provide \$149,200 in 2001-02 and \$137,100 in 2002-03 and 3.0 positions from parks account SEG to support operations and master planning efforts at the Centennial State Parks (two staff, and one-time start up costs for Caldron Falls and one park manager and one-time start-up costs at Capital Springs).

| <u>Alternative 3</u>               | <u>SEG</u> |
|------------------------------------|------------|
| 2001-03 FUNDING (Change to Base)   | \$286,300  |
| [Change to Bill                    | \$286,300] |
| 2002-03 POSITIONS (Change to Base) | 3.00       |
| [Change to Bill                    | 3.00]      |

4. In addition to one of the above alternatives, provide \$95,000 in 2001-02 and \$55,000 in 2002-03 from the parks account for operations costs at the two Centennial Park properties. This would include \$25,000 annually to either provide maintenance and enforcement services at Capital Springs Centennial State Park or to contract with Dane County for cooperative maintenance and enforcement support efforts at the property. In addition, \$70,000 would be available in 2001-02 and \$30,000 in 2002-03 for operations costs and one-time equipment purchases for Caldron Falls Centennial State Park.)

| <u>Alternative 4</u>             | <u>SEG</u> |
|----------------------------------|------------|
| 2001-03 FUNDING (Change to Base) | \$150,000  |
| [Change to Bill                  | \$150,000] |

5. Maintain current law.

Prepared by: Rebecca Hotynski

MO# ATS 314

|           |   |   |   |
|-----------|---|---|---|
| 1 BURKE   | Y | N | A |
| DECKER    | Y | N | A |
| MOORE     | Y | N | A |
| SHIBILSKI | Y | N | A |
| PLACHE    | Y | N | A |
| WIRCH     | Y | N | A |
| DARLING   | Y | N | A |
| WELCH     | Y | N | A |

|         |   |   |   |
|---------|---|---|---|
| 2 GARD  | Y | N | A |
| KAUFERT | Y | N | A |
| ALBERS  | Y | N | A |
| DUFF    | Y | N | A |
| WARD    | Y | N | A |
| HUEBSCH | Y | N | A |
| HUBER   | Y | N | A |
| COGGS   | Y | N | A |

AYE 16 NO 0 ABS \_\_\_\_\_