

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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September 16, 2002

The Honorable Brian Burke, Co-Chair
State Senator
Joint Committee on Finance
Room 316 South
State Capitol

The Honorable John Gard, Co-Chair
State Representative
Joint Committee on Finance
Room 315 South
State Capitol

Subject: Funding Request for Chronic Wasting Disease

Dear Senator ^{Brian} Burke and Representative ^{John} Gard:

2001 Wisconsin Act 108 authorized the immediate expenditure of \$2,000,100 for CWD control in 2002-03 and up to an additional \$2,000,000 with the approval of the Joint Committee on Finance. The Department of Natural Resources is submitting for your review and approval a plan, to manage, and test for, chronic wasting disease (CWD) in cervids, and a request for the expenditure of the additional \$2,000,000 for this purpose, as provided for in Act 108.

REQUEST

The Department requests that \$1,000,000 be provided from Wildlife Damage funds; of this amount, \$250,000 will be allocated to the Department of Agriculture, Trade and Consumer Protection (DATCP) for the indemnification of owners of captive herds and increased monitoring and inspection of captive deer and elk herds under the new DATCP permanent rule and \$31,750 will go to the Department of Health & Family Services (DHFS) for the continued monitoring of death certificates for Creutzfeld-Jakob disease and to offset the cost of permanent staff time devoted to CWD.

In addition, the Department requests that \$1,000,000 also be appropriated from the Fish & Wildlife Account of the Conservation Fund to provide additional resources for the on-going effort to monitor, manage and control the outbreak of chronic wasting disease in south central Wisconsin, and statewide. I request that if there is an objection made during the fourteen-day passive review process, a meeting of the Committee be held prior to October 15, 2002 so that the Department can continue its CWD efforts.

While these were the funding levels authorized in the bill for release under the Committee's fourteen day passive review authority, the Department currently anticipates expenditures will exceed this \$4.0 million authorization, and will request additional expenditure authority under s. 13.101 at a later date when more specific costs are known. Specifically, if the actual costs realized during the hunting seasons for CWD management are substantially higher than the funding currently available, the Department would encourage the Committee to hold a special s.13.10 meeting in late November to provide the Department with the needed funding to address those costs.

It is imperative that this funding request for the additional \$2 million authorized by Act 108 be approved to address urgent current needs. However, the costs for managing CWD are escalating rapidly and are difficult to estimate at this time. The funding levels identified in this request were made under the assumption that CWD remains confined to the Dane and Iowa county eradication zone in southwestern Wisconsin. Already, the disease has been detected in a captive deer heard in Portage County. This new detection, and any additional positive tests discovered elsewhere in Wisconsin requiring additional management efforts, will likely drive potential costs higher. Already, the Law Enforcement program is incurring substantial unanticipated expenses performing trace-outs of animals from the contaminated captive herd. The Department has already developed a tentative intensified sampling and testing strategy in the vicinity around the captive herd where the positive test was detected. Implementing a more intensified testing procedure in this area, and in the area of any new locations where there is a positive detection of CWD, will increase costs substantially.

Another major area where cost projections are fluctuating is carcass disposal. The Department's original estimate for carcass disposal assumed that all 43,000 anticipated tested carcasses would need to be incinerated because no land disposal option was available. It was also unclear if hunters would be willing to keep/store their carcasses while their deer is being tested. More recently, it appears that land disposal options will be available for a high percentage of the unwanted carcasses that do not test positive for CWD, which would present a less expensive disposal option than incineration. The Department is currently planning to store unwanted carcasses in cold storage until test results are known, and then incinerate only those carcasses that test positive. Carcasses that test negative would then be sent to a licensed landfill. However, the Department now is anticipating additional costs for collection, transportation, and cold storage of carcasses prior to disposal. Also, the Department has agreed to pay for the disposal of butchered waste for meat processors in very limited incidents directly related to the eradication zone. It may also be possible to use a more expedient testing procedure than what is currently authorized, which would allow the Department to identify more quickly those carcasses that are from deer that test positive and negative. This will allow more carcasses to be disposed in landfills at lower costs, however there is an estimated \$20 cost per deer for using the expedited testing procedure.

BACKGROUND

Chronic wasting disease was detected in Wisconsin's wild deer herd in February 2002. Since that time, the Department has implemented an intensive effort to determine the extent of the disease, to manage the disease, and attempt to eradicate the disease in the immediate area where it was originally found. Through the end of FY 2001-02, the Department spent an estimated \$1,502,900 on assessing and managing chronic wasting disease. These expenses were the result of re-directing staff time and funding from other activities within the Department.

During the February through June 2002 time period the CWD outbreak quickly became an issue of public concern. In this time period, the following key actions were taken:

- The hunters who killed the 3 CWD positive deer were immediately notified of the results and interviewed.
- All other hunters that submitted deer were contacted and advised their deer were negative.

Monitoring/Sampling/Enforcement

- Established A 419 sq. mi. initial surveillance area around the location where the 3 positive deer were killed.
- Reviewed all trace-outs of 21 elk received from western ranches with CWD-positive animals was carried out. No positives were found.

- Undertook a 63 sq. mi. helicopter survey of the core area of the surveillance area to determine the distribution and abundance of deer within that area and the presence of supplemental feeding activity.
- Set-up a field operations office to conduct the 500 deer sampling plan
- Sampled an additional 500 deer from the surveillance area to better determine the prevalence of CWD within the area and to better define the geographic boundaries of the outbreak. Additional positives were found. The surveillance area was expanded to encompass the additional positives (see attached map).
- Began a law enforcement investigation into the possible cause of the disease and began enforcing the new ban on baiting and feeding.

Public Information

- Published a Question and Answer fact sheet on CWD, a brochure and guidance for meat processors.
- Upgraded all agency websites to serve as a primary information outlet for interested citizens
- Held numerous public meetings both within the surveillance area and out-state.
- Responded to many media requests, public information requests and provided numerous legislative and management briefings.
- Established the Interagency CWD Health & Science Team to coordinate with DATCP on common messages and Q&A, to define the extent and spread of disease, to develop an investigation plan for game farms, to address baiting and feeding issues, to determine sampling methods and protocols

Research/Planning

- Developed detailed Fall Surveillance Plan based on best science available
- Prepared fall hunting season plans for CWD infected area as well as the rest of the state.
- Developed a comprehensive Research Plan and implementation begun.

Cooperation with Other Agencies

- Established the Interagency CWD Health & Science Team to coordinate with DATCP on common messages and Q&A, defining the extent and spread of disease, developing an investigation plan for game farms, baiting and feeding issues, determining sampling methods and protocols, carcass disposal, attempting to determine source and distribution, sample processing, research, surveys, information technology, and testing programs on captive game farms.
- Worked closely with the U.W. Veterinary Diagnostics Lab (UWVDC) to obtain resources to upgrade their testing facilities and capacity.
- DATCP officials visited 3 captive cervid facilities located within the surveillance area to review records and secure their participation in Wisconsin's CWD monitoring program.
- DATCP enacted an emergency rule establishing a CWD monitoring program in captive herds
- DATCP drafted a permanent rule establishing a CWD monitoring program in captive herds
- Prepared and submitted a request for CWD emergency funding from USDA.
- Commented on proposed federal language and programs
- Developed detailed budget estimates

Funding

- Informed and worked with the Wisconsin Legislature to obtain passage of critical legislation (Captive Wildlife Law, Authority to Regulate Feeding). Up to \$4.0 million in emergency funding approved by the Legislature.
- In 2001 Wisconsin Act 108, the Legislature provided \$2,000,100 from the Wildlife Damage fund to fight the outbreak of CWD outbreak in Wisconsin's free-ranging and captive cervid herds for the 2002-03

fiscal year. Of this amount, \$901,600 was provided by the Department to the Wisconsin Veterinary Diagnostic Laboratory for the purpose of testing cervids for chronic wasting disease. Another \$31,750 is intended for the Department of Health & Family Services for the review of death certificates for evidence of Creutzfeld-Jakob disease and neurology research at UW-Madison. Also, \$250,000 was provided to the Department of Agriculture, Trade and Consumer Protection for captive herd management, including staffing, equipment, and funding for indemnification of owners of captive herds for animals killed for testing. The rest of the initial funding was provided to the Department. Initial DNR funding (\$816,750 and 3.0 FTE) is being used to support the Department's efforts to manage the CWD outbreak in the eradication and management zones in south central Wisconsin. This includes the funding necessary to conduct the special landowner sampling hunts in July, August, and September; the Zone T hunts in October and December, and the regular deer gun season in November.

- 2001 Wisconsin Act 108 also provided that if the Department determines that the initial \$2,000,100 provided by the bill was insufficient for the management of, and testing for chronic wasting disease in cervids during fiscal year 2002-2003, the Department could develop a plan, justifying up to an additional \$2,000,000 in expenditures, for submission to the Joint Committee on Finance for review and approval under a fourteen day passive review procedure. The plan is to detail the means by which the Department will manage, and test for CWD in cervids. The Department has now determined that unfunded needs do exist and the plan follows.

CWD MANAGEMENT AND TESTING PLAN

Subsequent sampling of additional deer in the eradication zone in which the first three positives had been found resulted in 31 additional positives. The CWD Inter-agency Science & Health Team recommended an aggressive approach to containing the disease: eradication and testing of all deer within the management zone and greatly expanded sampling in the rest of the state. The Interagency Unified Command team made the decision to sample and test 50,000 deer statewide. This approach represents an eradication and sampling effort never before undertaken in the State of Wisconsin and, most likely, the largest sampling effort ever undertaken in the United States. This level of testing will provide a 99% certainty level on the prevalence of the disease. The State of Wisconsin will have the most comprehensive data available in the world on CWD.

An intense planning process began involving DNR, DATCP, DHFS and the WVDL to put the eradication, sampling and diagnosis strategy into place. Testing will be done in a tiered approach.

Tier-One Testing

The most intensive testing will occur within the CWD Intensive Harvest Zone (see map) in eastern Iowa, western Dane and southern Sauk counties where 31 deer have been diagnosed with CWD since late February with the disease. In this zone, every deer will be sampled and tested during the special summer landowner shooting periods and during the October through January hunts. The results of this sampling within the Intensive Harvest Zone will help guide future CWD management actions and will help answer many questions including distribution of the disease; age/sex relationships of deer and the disease; how and when CWD is transmitted within and among social groups of deer, vulnerability to harvest of CWD-infected deer and more.

Tier-Two Testing

A second tier of testing will sample about 500 deer over one year of age from deer management units (DMUs) in the larger CWD Management Zone (see map). That zone extends about 40 miles out from the center of the infection; sampling in this zone may begin with the early archery season, but will be heaviest in October and November. The objective with this sampling effort is to establish a baseline for later comparison to see if the infection is spreading outward.

Tier Three Testing

In the third tier, about 500 deer will be tested for CWD from the remaining counties in the state. Some counties, where deer harvests are traditionally light, will be lumped together for the 500 deer sample. Deer heads will be removed for sampling at selected registration/sampling stations. Some deer registration stations will be staffed during the October 24-27 Zone-T hunt, some will be staffed during the November opening weekend, and some will be staffed during both periods.

Testing Logistics

A total of 175-200 registration stations will be staffed during these periods with 4-8 staff at each station. Deer heads will be removed at these stations and trucked to five regional sample processing centers where tissue samples will be removed and then sent to participating labs for CWD testing. Staffing at the processing centers will be about 25 people at each center. It is anticipated that all results will be returned from the labs in about six months. Registration stations and processing centers will be staffed to the extent possible with volunteers from outside DNR and with DNR staff during Zone T and the gun hunting season. There will be staffing costs associated in using staff from within DNR to pay regular salary costs and overtime costs. Volunteers from outside the agency will be reimbursed for mileage and meals. Lodging costs will be held to a minimum by matching volunteers with work stations within driving distance of their homes whenever possible.

The processing center in the South Central Region will be operated for a minimum of 5 years. It is anticipated to require at least this amount of time to eradicate the deer herd in the current CWD surveillance zone. Paid staffing will be required at this facility to remove tissue from deer heads and prepare them for sampling and to collect data about each deer and sample.

FY 2002-2003 FUNDING NEEDS

The following table indicates that total costs in FY03 for the CWD effort are estimated at about \$12.5 million. Column A in that table describes the allocation of the full \$4.0 million in funding authorized by Act 108. In addition, the Department anticipates reallocating \$ 4.6 million, as described in Column B. Of that \$4.6 million, \$2.6 million is permanent staff time, \$2.0 million will be reallocated for supplies and services costs. These reallocated dollars will pay for testing costs (\$650,000) and partially fund disposal costs (\$1,350,000). A more detailed description of these costs follows in Appendix A.

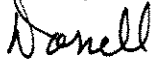
Carcass disposal costs continue to fluctuate. The Department utilized a landfill for deer carcasses harvested in the spring of 2002. That option may no longer be available and alternative disposal methods are being evaluated and bid to the private sector. This request includes \$4,000,000 for disposal of carcasses, but it could be much higher. For example, it currently costs the Department an estimated \$98 per deer for incineration (\$93 average for the headless carcasses, and another \$5 for the head after processing). The cost to incinerate 45,000 deer would be an estimated \$4,410,000. There are also additional costs for hauling deer carcasses and processed heads to acceptable disposal locations. The Department's preferred method of disposal is to incinerate as few deer as possible, and landfill those carcasses known to test negative. Carcasses from the eradication area would all begin to be incinerated at the rate of 200 per week at a cost of \$19,600/week. This would continue for 6 months, focusing on carcasses from the eradication area and would result in incineration of 5,200 carcasses at a cost of \$509,600 for the 6 month period. During this time, test results would become available from deer taken outside of the eradication zone, and in cold storage, allowing the Department to landfill the carcasses of deer testing negative.

**SUMMARY OF CWD FUNDING NEEDS FOR FY03
By Funding Source**

	A	B	C	D	E
Bureau/Activity	Wis. Act 1 \$4,000,100	Reallocations	Federal, Grants, Etc. *	Unfunded	Total
MOU's w/partners:					
WVDL	\$901,600				\$901,600
DATCP	500,000				500,000
DHFS	63,500				63,500
Wildlife Management:					
Project Positions	113,380				113,380
Over-time	174,667			229,333	404,000
Information Technology	259,750				259,750
Herd Erad. & Head Coll.	565,976			470,000	1,035,976
Disposal	1,000,000	1,350,000		1,650,000	4,000,000
Permanent staff time		1,262,000			1,262,000
Write & distribute special hunting seasons pamphlet		11,000			11,000
Testing		650,000			650,000
Trucking				100,000	100,000
Processing Center Lease & utilities in SCR				51,800	51,800
Sample Processing				395,868	395,868
Law Enforcement:					
Supplies, Equip., mileage, vehicles	110,905				110,905
Over-time for hunting season enforcement	110,000				110,000
Permanent staff time		1,000,000			1,000,000
Communication & Education :					
Over-time	25,600				25,600
Project PIO	45,000				45,000
LTE's	20,000				20,000
Publications, visuals	62,722				62,722
Permanent Staff Time		85,000			85,000
Licensing:					
Special Carcass Tags	47,000				47,000
Science Services:					
Permanent staff time, LTE's, equip.		250,000			250,000
Studies on Disease Dynamics, Deer Ecology, Human Dimensions & Ecological Impacts			622,745		622,745
Population Estimates			87,000		87,000
Total	\$4,000,100	\$4,608,000	\$709,745	\$2,897,001	\$12,214,846

I appreciate your consideration and approval of this request so that we can all get on with the major effort that lies ahead of us.

Sincerely,



Darrell Bazzell
Secretary

cc: George Lightbourn, Secretary, Department of Administration

Appendix A

Resources Required in Fiscal Year 2003 (July 1, 2002 to June 30, 2003)

Implementation of the planned eradication and sampling effort will require the following level of resources in WDNR in FY03 provided that CWD is not found outside the current CWD management zone:

Wildlife Management:

Wildlife Management staff are staffing and, in many cases, leading the inter-agency CWD teams. Many, many staff hours have been spent in developing and executing the CWD management strategy. The key roles WM will play in FY03 include:

- continued participation and leadership on inter-agency management teams,
- planning and execution of herd eradication in the eradication zone (training sharpshooters, sharpshooting, landowner contacts and issuing landowner permits),
- public outreach, media contacts, public meetings, listening session participation
- staffing deer head collection sites and tissue processing centers
- tissue extraction for testing, sample preparation and routing to laboratories,
- enlisting 800-1,000 Department staff and volunteers to staff the head collection and tissue processing centers during Zone T and the opening weekend of gun deer season,
- resolving carcass disposal issues,
- ordering equipment, forms and supplies to carry out the herd eradication, head collection and tissue sampling protocols,
- development of personnel policies and safety protocols related to head collection and tissue processing work duties
- participation in development of research plan

Resources Needed:

\$ 4,000,000	Incineration of 43,000 deer carcasses @ \$93 per carcass
\$ 50,000	Annual lease cost for the CWD sample processing center in Black Earth (3200 sq.ft. @ \$14/square foot plus \$5,200 equipment lease)
\$ 1,800	Utility costs annually at the processing center in Black Earth (estimated @ \$150/month x 12 months)
\$ 259,750	Information Technology for CWD (\$94,000 contract with Walz Label and Mailing Systems to supply data collection systems (hardware, software, networking) at the 5 Processing Centers during T-Zone and November gun-deer seasons. 1,000 hours of programming and IT support contracted through DNR's Bureau of Enterprise and Information Technology (BEITA) to build the CWD database. This database will contain data on each deer harvested and sampled, including test results. It will also provide the mechanism for making test results available on the web so hunters can check their animals. \$90,000 with BEITA GIS here in WDNR to provide the GIS mapping and analysis needed to determine the spread and prevalence of CWD).
\$ 113,380	Salary and FRB for Project 05 CWD Data Manager position and Project 06 CWD Wildlife Health Specialist. These positions were approved in Wisconsin Act 108
\$ 404,000	Overtime for WM permanent staff & LTE's (16,160 hrs. @ \$25/hour) to carry out the planning, outreach, herd eradication, head collection & tissue sampling activities
\$1,035,976	Herd Eradication & Head Collection at registration stations:

- plastic bags for double bagging deer heads (140,000 bags = \$23,800);
- data kits which consist of forms & tags for each deer sampled (50,000 data kits @ \$.44 per kit = \$ 21,900);
- knives and meat saws (\$110 per site x 200 sites = \$22,000),
- latex gloves (4,000 gloves @ \$45.50/500 = \$364),
- face shields (2 x 200 sites @\$11.08 = \$4,432);
- safety kits for each site (\$321 x 200 = \$64,200);
- mileage for staff and volunteers to travel to deer head collection sites (300,000 miles @ \$.325/mile = \$97,500);
- meals for 800 staff and volunteers for 4 days per person (\$34/day x 4 days x 1,000 = \$108,800),
- compensation for Department personnel staffing the head collection sites (550 staff x 16 hrs. @ \$25/hr. = \$220,000)
- kevlar gloves (200 sites x 20 people per site = 400 prs. gloves @ \$4.95/pr. = \$1,980
- miscellaneous office and other supplies (flashlights, buckets, tubs, etc.) = (\$50/site x 200 sites = \$1,000)

\$650,000 Sample Testing (Lab costs: 30,000 tests at WVDL @ \$5 = \$150,000 plus 20,000 tests at labs in the federal network @ \$25 = \$500,000)

\$ 394,868 Sample Processing Costs at Tissue Processing Centers:

- 4,000 hrs. lab technician LTE staff time at the SCR processing center @ \$18/hour = \$72,000,
- meals for 200 staff and volunteers for 4 days per person (\$34/day x 4 days x 200 = \$27,200),
- lodging for staff and volunteers (20 double rooms x 4 nights for Zone T and 5 nights for opening weekend x 5 locations x \$62/night = \$55,800);
- supplies, including formalin jars (50,000 @ \$1.25/jar = \$62,500), latex gloves (included in head eradication & head collection costs), face masks, aprons (5 sites x 20 aprons @ \$12.50 = \$1,250); coveralls (2/person x 30 persons x 5 sites @ \$4.75 = \$1,425);
- costs to prepare space for processing tissues (sealing floors in 5 locations = \$6400 x 5 sites = \$32,000);
- compensation for DNR personnel outside WM staffing tissue processing centers (150 staff x 16 hrs. @ \$25/hour = \$60,000)
- Refrigerated truck rental (\$502 per site x 5 sites = \$2,510)
- Tables for sampling (\$44.38 x 4 tables x 5 sites = \$364)
- Rubber tubs for moving deer heads through processing center (12/site x 5 site @ \$16.50 = \$990)
- Rubber mats for staff to stand on (4 per site x 5 sites x @ \$30 = \$400)
- Disposable scalpels (45,000 @ \$1.25 = \$56,250)
- Rubber boots (20 pairs \$18.95/pr. = \$379)
- Miscellaneous office supplies = \$800
- Trucking heads from collection sites to processing sites = unknown at this time
- Dumpster rental at processing centers = \$50/day x 6 days x 5 sites = \$3,000

\$6,439,774 Total for Wildlife Management

Law Enforcement:

Law Enforcement estimates a need for 10 FTE worth of effort. The work generated in the CWD Zone has resulted in more enforcement work than the wardens in SCR can handle. The new ban on baiting and feeding creates additional enforcement workload. Wardens are also assisting with:

- Shooting of deer for testing
- Recovery of deer for testing
- Investigation of citizen CWD-related complaints
- Investigation of CWD related violations
- Auditing live deer movement from captive game farms to slow the spread of CWD
- Enforcement of special CWD hunting rules
- Car Kill Deer Disposal Issues
- Deer farm regulation investigations and complaints

Wardens from other parts of the state will be moved to help relieve some of the workload pressures caused by CWD in SCR. Most equipment needed is available, but LE requires an additional 10 sets of night vision optics, increased mileage and travel expenses, and supplies. Air enforcement needs are estimated to be 200 hours for the CWD target zone.

10.0 Wardens x 404 total overtime hours per warden = 4,040 hrs. @ \$25/hr. = \$101,000

\$25,000	Night vision optics (10 @ \$2500 each)
\$31,310	Lodging (1 night per work day (8 overtime hours) @ \$62/night
\$18,425	Mileage (55,000 miles @ \$.335/mile
\$17,170	Meals (\$34 per 1 work day (8 hours of overtime)
\$18,000	Air Flights to monitor illegal baiting and feeding (200 hrs. @ \$90/hour)
\$10,000	Misc. supplies (ammunition, gloves, safety equipment, etc.)
\$119,905	Total supplies and expenses
\$101,000	Overtime

\$220,905 Total overtime, supplies and expenses for Law Enforcement

Communication & Education:

The Bureau of Communication & Education is playing two critical roles in the CWD project: public outreach and public input.

- A full-time CWD Project 05 Information Officer (PIO) was approved in Wis. Act 108. That person is developing fact sheets, brochures and press releases.
- A permanent PIO has been reallocated full time to establishing public meetings and listening sessions, press contacts and perhaps, most important, serving as Team Leader for the Inter-Agency Communication and Outreach Team. This team works to get information and messages out to the public in a number of media to keep them informed and educated about CWD and CWD management.
- 15 public meetings have been held since the end of February, 2002. Six listening sessions with the public are scheduled for this fall in the following tentative locations: Wausau, Green Bay, Ashland, Eau Claire, Milwaukee and Mt. Horeb.

Resources needed:

\$ 25,600	Over-time (1,280 hrs. @ \$20)
\$ 45,000	Project 05 CWD Public Information Officer (PIO) salary & FRB

\$ 20,000	LTE (1,280 hrs. @ \$15.60 hr. including FRB)
\$ 2,500	Travel
\$ 5,000	PC & IT support for Project 05 PIO position
\$ 25,812	Printing and graphic art charges for 3 brochures, 2 special editions of DNR news, 1 special edition of SCR hunting report, writing/editing design of 16-page magazine supplement
\$ 12,450	Postage, UPS & broadcast FAX for brochures and news releases
\$ 8,935	Travel, supplies & equipment for production of CWD videos
\$ 8,025	Public meeting support (space rental, press packets, presentation materials and speaker support)
\$ 153,322	Total for Communication & Education

Integrated Science Services:

Three research areas need to be addressed regarding CWD funding from state or P-R sources: deer ecology, human dimensions, and deer population estimation. Funding for disease dynamics research has already been pledged by USGS, National Wildlife Health Center (\$200,000) and funds for the ecological impacts of reducing the deer herd are being sought via a National Science Foundation grant. Together, this information will be used to evaluate the effectiveness of our CWD management program in Wisconsin, refine models used to guide future management, and collect information needed to help us understand this disease in high density eastern deer populations. Below is a short description of each study/monitoring program requesting state or P-R dollars.

- A radio-telemetry research study on the population dynamics, movements and behavior of deer to evaluate the effectiveness of the CWD management program and to understand the relationship between deer population dynamics, movements, behavior, and CWD. Information from this study is essential to the Wisconsin CWD model and will be needed to guide future CWD management and to evaluate the effectiveness of the eradication program. This study will be conducted in the Eradication Zone (population goal zero deer/mi²) this fall and winter. The project will be expanded into the CWD Management zone (population goal of 10 deer/mi²) and to a control area outside the CWD Management Zone (population goal of 15-30 deer/mi²) next year (late FY03 and beyond). Data will be needed from the CWD management zone to determine the effectiveness of a reduced deer density surrounding the eradication zone in preventing the spread of the disease. A control area is a necessary part of the experimental design to interpret data from either the Eradication or CWD Management zone. This study will likely continue throughout the Eradication and CWD Management programs (FY 03-07) and beyond to measure deer repopulation success.
- A human dimensions study to investigate perceptions of human risk factors, and changing attitudes and behaviors of hunters, landowners, and the public to maintain support and determine the most publicly acceptable methods for managing the disease. In addition, it will determine the economic effects (including impacts on car-deer collisions and crop damage) of CWD and CWD management. Such information is needed to design effective education programs to promote public participation and acceptance in the CWD management program. This study will be conducted in all 3 zones. Research efforts will have been underway for two years that will put us in a much better position to make this decision.
- (Eradication Zone, CWD Management Zone, and rest of state). A combination of focus groups, surveys, and telephone interviews may be used to collect this information. The study will begin this fall and continue for several years (FY 03-07).
- Deer population size monitoring to determine the success of the deer reduction and eradication programs, to understand the effects of deer density on disease dynamics, and to plan for CWD management efforts in subsequent years. Changes in deer herd size will be monitored across the state in each Deer Management Unit using the Sex-Age-Kill population model as usual. The SAK model cannot be used in the CWD Management

Zone and Eradication Zone because of the dramatically different hunting seasons being implemented. Estimating deer populations in the Eradication and CWD Management Zones will require a combination of helicopter and fixed-wing aircraft surveys and population modeling. Deer population monitoring will continue indefinitely throughout the state and special efforts will likely be needed through FY 03-07 in the Eradication and CWD Management zones.

Since so much is unknown about this disease and no management approach has been proven effective in managing this disease, we need to use an adaptive management approach to evaluate the effectiveness and success of the CWD management program and provide new scientific information upon which to base future decisions. Hallmarks of adaptive management are targeted research efforts and carefully designed monitoring.

Bureau of Customer Service and Licensing

The Bureau of Customer Service and Licensing needs \$47,000 in FY03 to purchase special carcass tags.

NATURAL RESOURCES

DNR Funding Request for Chronic Wasting Disease

Motion:

Move to prohibit DNR from providing additional funds to DHFS for purposes relating to CWD management, including but not limited to the surveillance of death certificates, the sponsoring of a fellowship in the University of Wisconsin Department of Neurology, and ongoing public education efforts relating to CWD.

MO# 500

BURKE	Y	N	A
① DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
ROSENZWEIG	Y	N	A
② GARD	Y	N	A
KAUFERT	X	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

NATURAL RESOURCES

DNR Funding Request for Chronic Wasting Disease

Motion:

Move to direct DNR to develop a proposal that would provide optional, affordable CWD tests for hunters throughout the state. Direct DNR to submit the proposal to the Joint Committee on Finance as part of any subsequent request for additional funding to address CWD management.

MO# 405

BURKE	(Y)	N	A
DECKER	(Y)	N	A
MOORE	(Y)	N	A
(1) SHIBILSKI	(Y)	N	A
PLACHE	(Y)	N	A
WIRCH	(Y)	N	A
DARLING	(Y)	N	A
ROSENZWEIG	(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 13 NO 3 ABS _____



State Senator
James R. Baumgart

State Capitol: P. O. Box 7882, Madison, WI 53707-7882 • Telephone (608) 266-2056
Toll-free: 1-888-295-8750 • E-Mail: sen.baumgart@legis.state.wi.us

October 1, 2002

Senator Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, Rm. 317 East

Representative John Gard, Co-Chair
Joint Committee on Finance
State Capitol, Rm. 308 East

Dear Senator Burke and Representative Gard:

I was extremely pleased with the Legislature's quick and bi-partisan action during special session to address the issue of Chronic Wasting Disease that resulted in \$4 million being appropriated for this effort.

We have seen unprecedented cooperation between the Department of Natural Resources, the Department of Agriculture, Trade and Consumer Protection and the Department of Health and Family Services. These three agencies have been entrusted with the monumental task of eradicating this disease from our borders and they have been working extraordinarily hard to accomplish that goal. However, their task will become increasingly difficult if the necessary funding is not provided.

I have reviewed the plan submitted to the Joint Committee on Finance by the DNR. It is my feeling that the funding sources (the Wildlife Damage Abatement program and the Fish and Wildlife Account) are appropriate and I urge your support of this plan. Considering that we have now found CWD on a game farm, surveillance efforts will have to be increased and this will raise costs. We are all well aware of the potential impact that CWD could have on our economy as well as our proud hunting heritage. The special session legislation showed the legislature's commitment to wiping out this disease and it is my hope that the Joint Finance Committee will conclude its evaluation in a timely fashion and authorize the release of these funds.

Thank you for your attention to this matter and if you have any questions, please feel free to contact me.

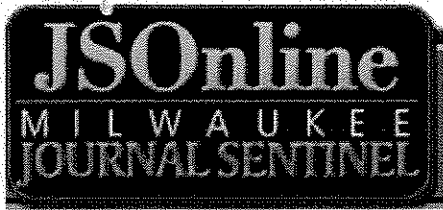
Sincerely,

JIM BAUMGART
State Senator
9th Senate District

Cc: Joint Committee on Finance Members
Darrell Bazzell, DNR Secretary
James Harsdorf, DATCP Secretary
Phyllis Dube, DHFS Secretary

"As stewards for this and future generations, we must use the land wisely." - Jim Baumgart

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CWD: Hello, anyone home?

Journal Sentinel staff

Oct. 7, 2002

Someone really needs to explain this to us.

President Bush lost Wisconsin in the 2000 election only by the narrowest of margins. Clearly, because ours is a state that could go either way in the next national election, it certainly is logical to think that Bush would have an interest in currying favor with voters here.

As a cabinet member in the Bush administration, former Gov. Tommy Thompson is ostensibly in a unique position to effectively and forcefully communicate the concerns of state voters to the president.

Gov. Scott McCallum, a Republican who for 14 years played Robin to Thompson's Batman, is in an election race that he could easily lose to his Democrat opponent. Surely, Bush doesn't want to see a Democrat sitting in the governor's chair.

Yet aside from an infusion of \$3.55 million in May, the federal government has been largely missing in action in the fight against chronic wasting disease in Wisconsin. And the foot-dragging continues, despite repeated and insistent pleas from McCallum and the state's congressional delegation.

Two Wisconsinites in the effort to get the feds' attention are Rep. Ron Kind and Sen. Russ Feingold, both Democrats. But they have had the bipartisan support, Kind says, of every member of the delegation.

Still nothing, or at least very little, from the feds.

The state could use the help, especially in light of reports last week that the cost of combating CWD could hit \$12.2 million in this budget year, and even higher down the road. And it's not as if this is just a Wisconsin problem.

"This is a disease that's spreading from coast to coast," said Kind. "It carries tremendous testing costs as well as costs associated with the disposal of deer carcasses. There's a lot more the federal government can do to help stop the spread."

The first thing, Kind says, is to better coordinate research into the causes and consequences of CWD - which, left unchecked, could devastate the hunting and tourism industries in the state - and increase funding for that research. In addition to making repeated requests for federal funds from the U.S. Department of Agriculture, Kind has authored legislation that would provide more funding for research.

Over in the Senate, Feingold has signed on as a co-sponsor of legislation authored by Sen. Paul Wellstone (D-Minn.) that would provide an additional \$3 million to \$4 million for research, training and technical assistance in the fight against CWD. In addition, Feingold points out, the 2003 agricultural appropriations bill pending in the Senate contains \$15.9 million for CWD. He is expected to introduce legislation this week that would expand testing capabilities.

That's not all for Wisconsin, of course, but then this isn't just a state fight. When CWD was discovered in the state this year, it was the first time the disease had appeared east of the Mississippi. If it is not stopped here, how long before it

spreads to Michigan, Ohio, Pennsylvania, upstate New York?

Increasing the federal commitment to fighting CWD is critical. The federal glacier is moving, but right now it's only inching forward. If Thompson and McCallum don't have the clout to get more federal aid, maybe it's time to start getting the attention of officials and voters in the more populous states south and east of here. Perhaps together, they can finally bring home to the administration the danger that chronic wasting disease poses to the entire country.

(END)

Milwaukee Journal Sentinel October 7, 2002

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Wisconsin State Journal October 6, 2002

GUEST COLUMN

State failing to correct child poverty

By Anne Arnesen

The Wisconsin figures on child poverty rates are a tragic reflection of our lack of commitment to minority children, especially African Americans.

The long awaited 2000 census on child poverty rates, just released, was reported extensively in the Wisconsin State Journal on Sept. 29. Researchers, child advocates and policy makers anxiously anticipate these figures because only the decennial census provides accurate data on child poverty broken down by race.

The child poverty rate for all children in Wisconsin is 11 percent. Ten years ago it was 14 percent. For white children, it is 7 percent. Sounds pretty good. We are near the top, seventh best in the nation.

Read on.

Wisconsin is the fifth worst state for child poverty for African-American children, at 42 percent. Who is worse? A handful of poor southern states: Louisiana, Alabama, Arkansas and Mississippi. That is the company we keep.

This outrageous situation occurred during a decade of booming growth, low unemployment and high-touted welfare caseload decline.

Further examination is startling. Milwaukee, where 44 percent of black children live in poverty, is not alone with this high rate. Green Bay is at 39 percent. Madison is at 38.6 percent — not much better than Milwaukee, yet Madison is one of the state's wealthier cities.

There is also enormous disparity between the poverty rates for minority and white children. African-American children are six times more likely to be poor in Wisconsin than white children. We are No. 1 among states for this disparity.

Although the rate of child poverty for Asian children has declined significantly, these children are three times as likely to be poor as their white counterparts, the second highest disparity in the country.

The figures demonstrate that Wisconsin's child poverty has improved somewhat since 1990, when we had the second highest rate in the country for African-American children and highest for Asian-American children. But let's not deceive ourselves. These figures were collected before the current recession and represent the best of times, a period of unprecedented economic growth. Yet they also represent a period when we failed to do anything significant to change the lives of the poorest children in our state or nation.

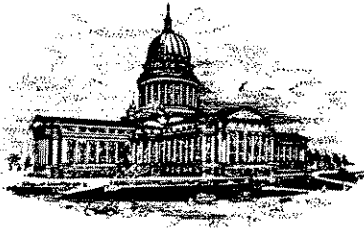
We need to implement concrete fixes for this shameful situation. Just getting jobs for parents is not enough. Most parents are working, but not making enough to provide for their families. We need to:

- ◆ Raise the minimum wage.
- ◆ Adopt a housing policy that increases the supply and provides subsidies to make housing affordable.
- ◆ Provide wages and training to child-care teachers so our preschool children are ready for school.
- ◆ Support safe neighborhoods and recreational opportunities.

The outcomes of child poverty are well documented and include poor educational achievement and health status, early pregnancy, learning disabilities and exposure to the child welfare and juvenile justice system.

It is time to get smart. We need our government to invest in child poverty eradication policies that include parental involvement. We need to assess what welfare reform has truly accomplished and correct the mistakes. The alternative will be another dismal report 10 years from now. It could be otherwise.

Arnesen is executive director of the Wisconsin Council on Children and Families, a statewide child advocacy organization.



Wisconsin State Assembly

P.O. BOX 8952 • MADISON, WI 53708

October 8, 2002

Honorable Brian Burke, Co-Chair
Honorable John Gard, Co-Chair
Members, Joint Committee on Finance
Inter-departmental mail

Dear Co-Chairs Gard, Burke, and Committee Members:

We ask that you support authorizing the expenditure of \$2,000,000 to manage and test for chronic wasting disease in deer as provided in 2002 Act 108.

Additionally, we should not change course in mid-stride by attaching restrictions and conditions on how our professional biologists, agriculture, and health experts use these resources. The legislature has already set a course of action to fight chronic wasting disease through Act 108.

The agencies responsible for managing chronic wasting disease have a critical need for these funds. Money beyond that in today's request may even be needed but, with a likely increase in deer damage and abatement claims, using money from the wildlife damage program should be a last resort only.

It is still early in the fight against chronic wasting disease. History will record these early efforts to ascertain the extent of the disease and to contain it as the ones that either preserved the white-tailed deer for future generations or that doomed Wisconsin's white-tailed deer herd.

As chairs of the standing committees that have worked on animal health issues since well before CWD's discovery here, we ask you to approve this request and that you consider additional resources to assist in the fight. The funds are critically needed for testing, indemnification, inspection, disposal, monitoring human health, and control of the disease in deer.

Sincerely,

Representative DuWayne Johnsrud
Chair, Assembly Committee on Natural Resources
96th Assembly District

Representative Al Ott
Chair, Assembly Committee on Agriculture
3rd Assembly District



Legislative Fiscal Bureau

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

CWD

October 8, 2002

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Paper for the Committee's October 9, Section 13.10 Meeting

Attached is a paper, prepared by this office, on the item which is scheduled for the Committee's October 9 meeting under s. 13.10 of the statutes.

The meeting is scheduled to begin at 1:00 p.m. in Room 412 East, State Capitol.

BL/sas
Attachment



Legislative Fiscal Bureau

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

October 9, 2002

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Department of Natural Resources Funding Request for Chronic Wasting Disease

REQUEST

The Department of Natural Resources (DNR) has submitted a plan to manage and test for Chronic Wasting Disease (CWD) in cervids, and requests expenditure authority of \$2,000,000 for this purpose (as provided under 2001 Act 108). Of the amount requested, \$1,000,000 would be provided from the Wildlife Damage portion, with the remaining \$1,000,000 to be provided from general fish and wildlife account revenues of the conservation fund.

BACKGROUND

Since 1999, DNR has tested over 1,000 deer throughout the state for CWD. However, no positive samples were identified prior to the 2001 gun deer season. In that year, three bucks harvested from deer management unit 70A (which includes portions of Dane and Iowa Counties) tested positive for the disease. Since then, 1,488 samples from deer have been submitted for testing. Of these, another 31 deer have generated positive test results for CWD. In response to the Department's request for assistance, the Governor called a special session in May, 2002 to address the issue, and the Legislature passed 2001 Act 108 to address issues concerning the state's ability to manage CWD in Wisconsin.

Under the provisions of 2001 Act 108 (May 2002 Special Session Senate Bill 1) on chronic wasting disease (CWD) management, \$2,000,100 SEG in one-time funding with 3.0 project positions was provided in 2002-03 in a new, DNR annual appropriation from wildlife damage surcharge revenues. The Act authorized DNR to manage and test for chronic wasting disease in deer and elk. In addition, \$2,000,000 SEG was provided in the Joint Committee on Finance

supplemental appropriation for release to DNR under a 14-day passive review process, as necessary, upon DNR submission of a detailed plan, including a recommended source or sources of funding with no more than \$1 million from wildlife damage surcharge revenues for CWD management. Any funds approved by Joint Finance that are not from the conservation fund would be deposited to the conservation fund for transfer to a DNR annual appropriation for CWD management. Funds are to be used for DNR herd monitoring and sampling, equipment, supplies, travel, education efforts, LTE and overtime costs and for a project veterinarian, public information officer and data manager position. In addition, DNR is directed to provide funds to the Wisconsin veterinary diagnostic lab (WVDL) for CWD testing and could provide DATCP with funds to buyout captive deer herds for CWD testing, support DATCP CWD-related staff and publicize CWD control efforts to deer farmers and processors. DNR could also provide funds to the Department of Health and Family Services (DHFS) for death certificate surveillance and to sponsor a fellowship in the UW Department of Neurology.

The Department's request for the release of funding and approval of its CWD management plan was received by the Co-chairpersons of the Committee on September 26, 2002. On October 2, 2002, the Co-chairpersons notified DNR that a meeting would be scheduled to review the plan and consider the request.

ANALYSIS

The following table outlines DNR's expenditure plan for managing CWD, involving funding provided under Act 108 or reallocated from other sources within the Department.

TABLE 1

Fiscal Year 2002-03 Anticipated CWD Expenditures

	<u>Under Act 108</u>	<u>Funds Provided Reallocations</u>	<u>Total</u>
WVDL	\$901,600		\$901,600
DATCP	500,000		500,000
DHFS	63,500		63,500
DNR – Wildlife Management			
Project Positions	113,380		113,380
Overtime	174,667		174,667
Information Technology	259,750		259,750
Herd Eradication/Head Collection	565,976		565,976
Disposal	1,000,000	1,350,000	2,350,000
Permanent Staff		1,262,000	1,262,000
Special Hunting Seasons		11,000	11,000
CWD Testing		650,000	650,000
DNR – Law Enforcement			
Supplies, Equipment, Mileage	110,905		110,905
Overtime	110,000		110,000
Permanent Staff		1,000,000	1,000,000
DNR – Communication and Education			
Overtime	25,600		25,600
Public Information Officer	45,000		45,000
LTEs	20,000		20,000
Publications	62,722		62,722
Permanent Staff		85,000	85,000
DNR – Licensing			
Special Carcass Tags	47,000		47,000
DNR – Science Services			
Staff Time and Equipment		250,000	250,000
Total	\$4,000,100	\$4,608,000	\$8,608,100

CWD Expenditures to Date

Of the initial \$2,000,100 provided in Act 108, the Department provided \$901,600 to the Wisconsin Veterinary Diagnostic Laboratory (WVDL) for costs associated with testing for CWD. Of the amount provided, \$457,400 was designated to fund 6.0 positions, including 2.0 joint appointment academic staff pathologists, 2.0 histology technicians, a program assistant, and a senior lab sample control and receiving technician. An additional \$333,000 was provided for one-

time equipment expenditures, including funds for a CWD analysis machine, tissue processor, microscopes, fume hood, and other equipment necessary for the processing and analysis of CWD samples. Remaining funds were allocated between costs associated with the disposal of tested deer heads, maintenance and utility costs, computer equipment, and for travel and training costs associated with the pathologist and histotech positions.

In addition, DNR has provided DATCP with \$250,000 to begin the indemnification (payment) of owners of captive deer and elk killed for CWD testing and to increase the monitoring and inspection of captive herds. Funds totaling \$31,750 were provided to DHFS to monitor death certificates for incidents of Creutzfeld-Jacob disease, and to offset permanent staff costs for time and projects related to CWD.

As of September 21, 2002, DNR reports its expenditures relating to CWD management totaled \$2,938,500. These costs can be attributed to permanent salaries (\$1,484,700), limited-term employee salaries (\$132,300), fringe benefits (\$583,700), and supplies and services (\$737,800). The majority of the salary and fringe benefit costs were incurred by existing DNR employees performing work on CWD. As such, these costs would have been incurred by the Department regardless. However, these staff resources would have been directed toward other ongoing DNR wildlife management or related activities rather than CWD. Staff costs include the sharpshooters used to harvest deer with landowner permission or on DNR property. All of the sharpshooters used to date have either been DNR employees (and as such were included in the above salary and fringe calculations) or have been federal Animal and Plant Health Inspection Service (APHIS) employees, receiving a federal salary.

The Department is currently operating two CWD collection sites in the eradication zone (which includes portions of eastern Iowa, western Dane, and southern Sauk Counties). During the special hunts, which have occurred for one week out of each month in June, July, and August, DNR states that each site has four staff present for sixteen hours per day. The cost of setting up and supplying the two collection sites is estimated at approximately \$31,800. These costs include the use of a refrigerated semi-trailer (to store samples), temporary power, semi-permanent shelter, tent shelter with gravel pad, and special tools and equipment. The Department anticipates lower per-site costs for the numerous individual collection sites expected to be utilized during the fall hunts due to the cooler weather and the use of temporary shelters.

The Department was not able to itemize overtime costs associated with CWD management efforts because of the tendency for staff to be involved in multiple activities during a given pay period. For example, if a wildlife biologist completed 100 hours of work in a given pay period (two-weeks), with portions of his/her time devoted to CWD, bear management activities, community education, and pheasant research, it would be difficult to determine which of those 20 overtime hours were attributable to CWD and which were attributable to other areas. Further, while the law enforcement program has reported working in excess of 4,100 hours on CWD activities, overtime is already included in the Bureau's budget, and the wardens' contracts stipulate overtime hours that may be worked per week.

However, it should be noted that certain DNR Land Division subprograms that are involved in CWD management efforts experienced significant increases in overtime accrual last fiscal year. Wildlife management and administration overtime costs for fiscal year 2000-01 were approximately \$48,300, while costs for fiscal year 2001-02 increased to \$242,700. DNR staff believe the \$194,400 increase is primarily related to CWD management efforts.

Deer carcass disposal costs through September 21, 2002, have totaled \$134,100 for 157,780 pounds. The Department made arrangements with a Poynette crematorium to process the deer for 85¢ per pound, bringing the average cost per deer for disposal to about \$98.

CWD Expenditure Plan

The Department's expenditure plan for the \$2 million of remaining funds under Act 108, as submitted, would allocate an additional \$250,000 to DATCP for the indemnification of owners of captive herds and for costs associated with the increased monitoring and inspection of captive deer and elk herds initiated with the passage of a DATCP administrative rule. In addition, DNR would provide an additional \$31,750 to DHFS for the continued monitoring of death certificates for Creutzfeld-Jakob disease, as well as to offset the cost of permanent staff time devoted to CWD. This would increase support provided by DNR to DATCP under Act 108 to \$500,000, and increase total funds provided to DHFS for CWD-related expenditures to \$63,500.

The Department's expenditure plan also includes a three-tiered disease testing approach. First-tier testing, which would take place within the CWD intensive harvest zone (consisting of the previously established eradication zone in eastern Iowa, western Dane, and southern Sauk Counties), would require every deer harvested through the January hunts to be tested. Second-tier testing would sample approximately 500 deer over one year of age from each of the deer management units within the larger CWD management zone, which surrounds the eradication zone and extends approximately 40 miles out from the center of reported infections. Third-tier testing will sample 500 deer from the remaining counties throughout the state. Some counties with lower harvest rates may be combined when selecting the 500 deer sample.

In order to conduct statewide testing, DNR anticipates staffing between 175 and 200 registration stations with four to eight staff at each station. Heads would be removed and shipped to regional sample processing centers. Each of these five centers require a staff of approximately 25 to remove samples and submit them to participating laboratories for analysis. These personnel needs are expected to be largely met through existing DNR staff, incurring regular salary and some overtime costs. However, volunteers from outside DNR are also expected to be utilized and would receive reimbursement for mileage and meals.

Overtime expenses are anticipated to continue throughout much of this fiscal year as wildlife management staff continue coordinating the Department's response to CWD with external agencies and the general public. Sampling and harvesting by state and federal sharpshooters is expected to

continue throughout the year, necessitating ongoing landowner and media contacts as well as general public informational meetings.

Law enforcement staff are also expected to incur additional overtime due to investigation of citizen complaints relating to special hunts, auditing deer movement between captive game farms, and enforcement of special CWD hunting rules (including a ban on the baiting and feeding of deer). In addition, the potential for a lower-than-average turnout for the fall archery and deer gun hunts may lead to a larger than projected deer herd in some areas of the state, potentially increasing the number of car-deer collisions and exacerbating existing car-killed deer disposal issues. The law enforcement portion of the request also includes 10 sets of night vision optics, allotments for increased travel expenditures, and funding for 200 hours of air enforcement to monitor for illegal baiting and feeding within the CWD eradication and management zones.

The Bureau of Communication and Education is expecting to incur some overtime as well in responding to public concerns through outreach and managing incoming information. A portion of the funding requested under the plan would pay for costs associated with outreach staff positions approved under Act 108, in addition to increased printing, publication, postage, and public-meeting related costs.

Currently, funding is being sought from the United State Geological Survey (USGS), the National Wildlife Health Center, and the National Science Foundation for research related to CWD in Wisconsin. Funds not obtained from outside sources would be redirected from available funding under DNR's management plan. The Department anticipates conducting a radio-telemetry research study on the population dynamics, movement, and behavior of deer in an attempt to evaluate the effectiveness of the current CWD management program. Increased deer population size monitoring (beyond DNR's traditional sex-age-kill population model) will also be utilized. An investigation of the perception of human risk factors will also be conducted, including the attitudes and behaviors of hunters, landowners, and the general public to assist in the development of effective education efforts, as well as potentially providing insight to the economic impacts of CWD on Wisconsin.

Testing costs are anticipated to reach at least \$650,000 during this fiscal year. Of this amount, at least \$150,000 would be provided to the Wisconsin veterinary diagnostic lab (WVDL) to complete 30,000 tests at a cost of \$5 to \$10 per test. The remaining \$500,000 could fund approximately 20,000 tests through federal laboratories at a cost of up to \$25 per test. Federal laboratories had previously offered testing services on a smaller scale to the state at no cost. However, after it was established that CWD was present in Wisconsin's deer heard, further testing of samples by federal laboratories will only be undertaken at the state's request (and for a fee sufficient to cover laboratory costs incurred). It should be noted that per-test costs are significantly lower for samples analyzed by WVDL because of the \$901,600 in funding provided to the lab under Act 108. Since Act 108 provided funding for staff and equipment costs related to CWD testing, the lab limits its charge per test to DNR to the cost of the supplies used in each test. However, at 30,000 tests, the overall cost per test at the WVDL would be over \$35 per test (\$25 if one-time costs are excluded).

The \$650,000 included in the plan is expected to allow DNR to complete the testing of approximately 50,000 samples that it intends to take during the fall deer hunt throughout the state. Combined testing capacity is estimated at, perhaps, 3,000 to 6,000 tests per week, depending on the testing methods available. Currently the immunohistochemical (IHC) test is the only test approved by the federal government for CWD testing. The IHC test can be both costly and time consuming. Individual samples of tissue from precise areas of the brain must be prepared, stained, and inspected by specially trained histology technicians, who visually interpret test results. Interpretation is subjective, and requires some experience. The United States Department of Agriculture is currently reviewing several rapid-screen tests for approval as an alternative to the IHC test. If approved, these tests could increase the rate at which samples are reviewed and processed. Colorado, which is currently studying an "ELISA-based" (enzyme linked immuno-sorbant assay) rapid-screen test in conjunction with USDA's approval process, estimates that it could increase the rate of sample testing to perhaps 7,000 samples per week (from 1,000 currently) per facility. Rapid-screen tests rely on reacting tissue samples with chemical reagents and performing a chemical spectrum test. The reaction of reagents with the sample produce results on a scale that indicates the likelihood of a positive result. Preparation of the sample and interpretation of the test result can be performed more quickly than the IHC test, and require less experience to correctly interpret. While staffing costs are reduced with these tests, the testing supplies are expected to be more costly than for IHC. If rapid-screen testing is approved in the near future, the WVDL may be able to increase its testing capacity sufficiently to test the entire DNR sample of approximately 50,000 deer. However, as the timetable for USDA approval is uncertain, Wisconsin could be forced to rely on IHC testing during the 2002 fall hunt.

Questions have been raised regarding the availability of CWD testing for individuals outside of the CWD management or eradication zones. Currently, DNR has negotiated with WVDL and federal laboratories to perform up to 50,000 CWD tests this year using IHC, which is expected to fully utilize available CWD certified testing resources for several months after the fall deer hunt. The approval, cost and capacity that could be available through rapid-screen testing is uncertain at this time. Individuals have pointed out that other states, such as Colorado, offer testing to private citizens who harvest deer and elk outside the endemic zone for a fee (typically \$17 to \$25 per test, depending on the annual state contract secured). However, it should be noted that issues of scale may make comparable testing arrangements more difficult to provide here. The Colorado deer herd is estimated at approximately 560,000 animals. For the 2002 deer hunting seasons, Colorado made 106,900 licenses available (of which 83,000 have been purchased). CWD in Colorado has been largely contained in the northeastern portion of the state, where approximately 5% of the deer and 1% of the elk are estimated to be infected. Colorado wildlife officials indicate that fewer than 5,000 samples (including those submitted by state DNR and by private hunters) have been submitted for CWD testing annually. Colorado's DNR recently reported that CWD had been discovered outside of the northeastern region of the state for the first time. Consequently, they will attempt to test up to 50,000 deer and elk harvested during the fall hunting seasons throughout the state. However, Colorado currently anticipates using a rapid-screen test not yet approved by the USDA for the majority of these tests in order to meet the demand.

For comparison, Wisconsin's deer herd is estimated at approximately 1.6 million, and over 945,800 hunters purchased licenses to hunt (archery or gun season) during the fall of 2001. A total of 444,384 deer were harvested statewide during last season. Wisconsin is currently expecting to test approximately 50,000 deer statewide, at no additional cost to hunters, for CWD. Wisconsin officials have raised concerns regarding the possibility of conducting rapid-screen tests on CWD samples without USDA approval, or as a food safety measure. They raise concerns regarding the uncertain reliability of unapproved tests and potential liability issues if the tests were represented as food safety indicators for individual deer that may test negative.

Of the items included in the expenditure plan, carcass disposal remains both the largest single anticipated cost and the most difficult to estimate. The Department estimates in the request that disposal costs may be in excess of \$4 million in fiscal year 2002-03, which, at an estimated \$98 per deer, would pay for the incineration of over 40,800 carcasses. However, as DNR now anticipates storing deer until after test results are known and disposing of those that test negative for CWD in landfills, disposal costs could significantly decrease from this estimate. The cost to landfill deer carcasses is approximately \$50 per ton (or \$2.75 per deer). However, when the necessary cold storage and transportation costs are included, the cost may rise to approximately \$570 per ton (or \$31.40 per deer). As previously mentioned, this storage time may vary by a number of months depending on whether or not DNR receives permission from USDA to use the expedited testing procedure instead of the IHC test. Further, the number of deer that DNR will be required to dispose of is uncertain. The Department has indicated that it will assume responsibility for the disposal of any deer harvested within the CWD eradication or management zone that hunters are unwilling to keep. Given the mixed public opinion on both the Department's management plan within the eradication zone and concern over the handling and consumption of potentially infected venison, it is difficult to estimate participation levels in this region. If deer harvest totals remain below predictions, disposal costs would decrease. Under the proposed plan, DNR would begin incinerating 200 carcasses each week during the fall hunts (at an anticipated weekly cost of \$19,600), and continue to do so for six months (or until test results became available). This plan would result in an additional expenditure of approximately \$510,000 for incineration by spring (a total of about \$645,000 in direct incineration costs). Further, DNR has reallocated some \$1.35 million for disposal costs from existing funding sources (in addition to the \$1 million that would be allocated from funding provided under Act 108). Therefore, it would appear that currently requested resources are sufficient to address disposal concerns until the final disposal strategy is known (probably this winter).

The Department has indicated that it anticipates requesting additional funding of almost \$2.9 million beyond the amount provided under Act 108. The largest portion (57%) of the \$2.9 million amount would be allocated for the disposal of deer carcasses (\$1.65 million). The Department also anticipates requiring additional funds for herd eradication efforts (\$470,000), sample processing (\$395,900), overtime (\$229,333), trucking (\$100,000), and ongoing lease and utility costs for the sample processing center in Black Earth (\$51,800). Under the Department's current carcass disposal plan, approximately 200 carcasses will be incinerated per week for six months. Remaining carcasses would be stored until test results indicated which were negative for CWD and could be

landfilled. Under DNR estimates incineration costs through approximately March, 2003 would total \$645,000, leaving about \$1.7 million available for the disposal of remaining carcasses in spring of 2003 under the current DNR request. Assuming that the great majority of harvested deer will test negative, funding provided under Act 108 and through DNR's reallocation plan may be sufficient to dispose of over 54,300 deer (in addition to the 4,800 incinerated over the six months while test results are pending). Therefore, the \$2.35 million allocated by DNR under Act 108 for carcass disposal may be sufficient to cover expected costs. Further, the bulk of these costs would not be incurred until after test results were available, postponing the need for the majority of disposal-related funding until several months after the November gun season. These funds, if not required for disposal, could then be redirected to support herd eradication and sample processing costs incurred during the November deer gun hunt, with any additional funding requests submitted when better disposal cost estimations were available.

The plan DNR has submitted for the \$2 million supplement provided in Act 108 appears reasonable in its efforts to address overall costs associated with CWD management efforts. While DNR has indicated it will reallocate over \$4.6 million of existing funding to support CWD costs, it is possible that additional funding beyond this request could be required prior to the end of the 2002-03 fiscal year (particularly if CWD is found in wild deer outside of the current management zone).

Fish and Wildlife Account

Of the amount requested, \$1,000,000 would be provided from the balance of the fish and wildlife account of the conservation fund. The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. An additional source of revenue to the fish and wildlife account began in 1999-00 with an annual transfer of \$2.5 million from tribal gaming revenue. While the development of CWD in the state deer herd has led to an initial decrease in sales of deer hunting licenses as compared to the same time last year, it remains difficult to predict what the long-term effect of the disease may be on revenues to the fish and wildlife account. For example, by October 1, 2001, DNR had sold 455,554 licenses to hunt deer (including approvals issued as part of the conservation patron and sports licenses as well as archery and deer gun licenses for residents and non-residents). As of September 30, 2002, 354,098 of these licenses had been sold, a 22% decrease from the October 1, 2001, number. It is unknown whether license sales will recover, or to what extent, in the days prior to the fall firearms deer seasons. Public opinion regarding the fall deer hunt has varied, with some hunters expressing concern over the harvesting of potentially infected deer. Many hunters, when polled, have indicated that they were adopting a "wait and see" attitude, postponing any decision to participate in the November gun hunt in hopes of greater public information to boost confidence in the safety of venison consumption.

The following table shows the condition of the fish and wildlife account. The account is estimated to have a June 30, 2003, balance of \$5.4 million (\$4.4 million if this request is approved), indicating that sufficient funds would be available to accommodate the Department's request.

However, it should be noted that the account has a structural imbalance of \$8 million in 2002-03 (with anticipated revenues of \$61.3 million and authorized expenditures of \$69.3 million). If additional funding for DNR efforts to address CWD were provided from the fish and wildlife account in 2002-03, the June 30, 2003 available balance would decline. Further, although the funding is one-time in 2002-03, ongoing CWD management funding will have to be addressed in the 2003-05 biennial budget. These increased expenditure demands are likely to increase the need for, and level of, a fee increase for hunting and fishing licenses. Further, DNR has indicated that they may seek, perhaps, an additional \$2.9 million yet this fiscal year for efforts relating to CWD. These funds would most likely be requested from the fish and wildlife account. On the other hand, as the primary expense associated with the account is the management and preservation of wildlife, the account is an appropriate source of funding for this request.

TABLE 2

**Fish and Wildlife Account Condition Statement
(\$ In Millions)**

	<u>2001-02</u>	<u>2002-03</u>
Opening Balance	\$21.0*	\$16.2
Total Revenue	<u>65.8</u>	<u>61.3</u>
Total Available	86.8	77.5
Expenditures	\$70.0	\$69.3
Reserves/Lapses**	<u>0.6</u>	<u>2.8</u>
Total Expenditures	\$70.6	\$72.1
Closing Balance	\$16.2	\$5.4

*July 1, 2001 cash balance of \$35.7 million less \$2.3 million in encumbrances, less \$12.4 million in the unencumbered balance of continuing appropriations.

**Includes continuing balances from assigned revenue appropriations (such as wildlife damage and trout, waterfowl, or wild turkey stamp programs), payplan reserves, and anticipated lapses due to the hiring freeze.

Wildlife Damage Surcharge Revenues

Of the amount requested, \$1,000,000 would be provided from the continuing balance of the appropriation for the wildlife damage claims and abatement program. The programs provide landowners in participating counties with financial assistance to implement projects to reduce crop damage and partially reimburse losses incurred from crop damage. The programs are funded by two dedicated revenue sources within the fish and wildlife account of the conservation fund: (a) revenue from a \$1 surcharge on most resident and nonresident hunting licenses and a \$2 surcharge on resident and nonresident conservation patron licenses; and (b) revenue from the \$12 resident (\$20 nonresident) bonus deer permit. Together, these revenue sources generated over \$3.7 million for the wildlife damage program in 2001-02. As shown in the following table, the wildlife damage

revenue appropriation had a July 1, 2002, balance of approximately \$7.48 million, and is expected to have a June 30, 2003 balance of \$4.23 million under current law (\$3.23 million if DNR's request for additional expenditure authority from the account is approved).

TABLE 3

**Wildlife Damage Surcharge Condition Statement
(\$ in Millions)**

	<u>Actual</u> <u>2001-02</u>	<u>Estimated</u> <u>2002-03</u>
Opening Balance	\$7.84	\$7.48
Total Revenue	<u>3.70</u>	<u>2.20</u>
Total Available	\$11.54	\$9.68
Damage Expenditures	\$3.14	\$3.45
Act 108 CWD	<u>0.00</u>	<u>3.00</u> *
Total Expenditures	\$3.14	\$6.45
Encumbrances	0.92	
Available Balance	\$7.48	\$3.23

*Maximum allowed under Act 108.

The following table shows revenue for the wildlife damage program for the last five years.

TABLE 4

**Wildlife Damage and Abatement Revenues
1998-02**

<u>Fiscal Year</u>	<u>Surcharge Revenue</u>	<u>Bonus Permits</u>	<u>Total</u>
2001-02	\$1,171,700	\$2,530,700	\$3,702,400
2000-01	1,185,100	1,184,700	2,369,800
1999-00	1,216,700	5,395,000	6,611,700
1998-99	1,222,600	2,887,200	4,109,800
1997-98	1,084,400	2,251,200	3,335,600

Previous to 1999, revenue from the wildlife damage surcharge was statutorily directed to be expended on three programs related to wildlife damage: (a) the wildlife damage claims and abatement program; (b) a separate appropriation for the control of wild animals; and (c) a separate appropriation for the urban wildlife abatement and control grant program. The 1999-01 biennial budget included a provision that allowed DNR to use funds from the wildlife damage program to pay participating counties for the processing of venison that was donated to food pantries or charitable organizations during a deer herd control season established by DNR to abate deer damage. It further specified that these costs would be paid after other wildlife damage program expenditures, and DNR was directed to prorate payments if available funding was not adequate to fully reimburse counties. Under 2001 Act 16 (the 2001-03 biennial budget), an option was created to allow any applicant for a deer, bear, or small game hunting license, beginning January, 2002, to elect to make a voluntary contribution of at least \$1 to be used for the venison processing and donation program. Monies received are used to reimburse counties for the cost of processing donated venison (including administrative costs incurred). If voluntary contributions are insufficient to reimburse county costs, funds would be made available for county reimbursement from the wildlife damage program (and prorated as necessary). To date, 3,095 individuals have contributed approximately \$11,700 through this program.

Under the wildlife damage program, DNR assists participating counties in developing and reviewing administrative plans for managing wildlife damage issues. The state fully funds DNR-approved county administrative costs. Approved abatement projects are eligible for state funding of up to 75% of costs, with the remaining share paid by the landowner. Landowners in counties that administer both the abatement and damage claims programs are eligible to file claims for damage to agricultural crops, harvested crops, orchard trees, nursery stock, beehives or livestock if the damage is caused by deer, bear, geese or turkey. Each claim is subject to a \$250 deductible. A claimant is paid 100% of the first \$5,000 above the deductible. If a claim is greater than \$5,250, a person can receive 80% of the amount of the claim, with the total amount paid not to exceed \$15,000 per claim. If the total amount of damage claimed is greater than available revenue after paying for administration and abatement, the Department prorates claim payments.

The following table provides information on expenditures from the various components of the wildlife damage program since calendar year 1997. Program expenditures are shown on a calendar year basis, due to the use of the county fiscal year in making program payments (state payments are primarily made in the following fiscal year, that is, most calendar year 2001 claims are paid in state fiscal year 2001-02).

TABLE 5

**Wildlife Damage Claims and Abatement Programs
1997-01**

<u>Year</u>	<u>No. of Counties</u>	<u>Total Costs</u>	<u>Administration</u>	<u>Abatement</u>	<u>Claims</u>	<u>Venison Processing</u>	<u>Control of Wild Animals</u>
2001*	69	\$3,153,100	\$871,400	\$270,200	\$1,537,700	241,900	\$231,900
2000	68	3,261,400	818,500	258,700	1,531,400	434,100	281,700
1999	68	2,595,500	769,100	381,500	1,316,500		128,400
1998	67	2,410,900	763,500	426,400	1,221,000		
1997	67	3,369,400	666,700	379,700	2,323,000		

*Estimated

Historically, revenues to the wildlife damage program have fluctuated based on hunting and trapping license sales while expenditures (primarily driven by damage claims) steadily increased until 1997-98. In 1998-99, program expenditures declined significantly due to a reduction in wildlife damage claims in calendar year 1998. Fewer landowners elected to participate in the program that year due to changes enacted under 1997 Act 27, specifically the program requirement that landowners filing claims for damage restitution allow public hunting on their land during the appropriate season for the animal for which damage was claimed.

However, beginning in 1999-00, program expenditures again began to increase, and are predicted to exceed revenues in 2002-03. Currently, there is a sufficient balance in the continuing appropriation to fund anticipated expenditures (including the current DNR request) for the biennium.

It should be noted that current expenditure estimates do not include damage and abatement costs associated with elk. A provision to include elk damage and abatement under the wildlife damage program when DNR completes an administrative rule establishing an elk hunting season was created under 2001 Act 109. The enactment of this provision may increase future abatement and damage claims. However, no additional revenue to the wildlife damage appropriation will be generated until DNR begins issuing permits for the hunting of elk. Bull elk seasons are not expected to begin for several years, and are anticipated to be extremely limited.

Funding Alternatives

Under the provisions of Act 108, up to \$2 million in funding for this request could be provided from any segregated source (provided that no more than \$1 million be from wildlife damage surcharge revenues). Any SEG funds approved by Joint Finance that are not from the

conservation fund would be deposited to the conservation fund for transfer to a DNR annual appropriation for CWD management.

As previously noted, both the fish and wildlife account and the wildlife damage fund contain a sufficient balance to fund DNR's request. However, as CWD has had, and may continue to have, a negative impact on revenue generated to these accounts, and as the fish and wildlife account is currently carrying a structural imbalance, it may be appropriate to consider other funding alternatives from segregated accounts carrying positive balances. Further, this action could reserve a portion of the balances of the fish and wildlife and damage funds for future expenditure requests (which DNR has indicated it intends to seek during the current fiscal year). Should additional funds be required in the future, emergency funding under s. 13.10 could be provided from either the fish and wildlife account or the wildlife damage fund at that time. However, because of the statutory language establishing the funding appropriations for CWD under current law, the opportunity to provide funding from alternative sources is only available for the current \$2 million request.

Within the conservation fund, the forestry account is anticipated to have a June 30, 2003, balance of approximately \$900,000, while the water resources account is expected to have a balance of almost \$500,000. In addition, the recycling fund is predicted to have a June 30, 2003, balance of over \$5 million. While these accounts do not traditionally support activities related to wildlife disease management, some may argue that the seriousness of the issues facing DNR concerning CWD and the management of the deer herd justify a re-prioritization of funding to address this crisis issue.

The primary source of funding to the forestry account is a statewide property tax. This tax is frequently referred to as the "forestry mill tax" and is the only property tax levied by the state. The rate of the mill tax, which is limited by the Wisconsin Constitution to no more than 0.2 mills (20¢ per \$1,000 of property value), was established in statute at 0.2 mills in 1937 and has not been changed since. In 2001-02, the tax generated \$62.5 million, which is 85.2% of the total revenue that was credited to the forestry account in that fiscal year. Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively-managed county forests and on privately-owned land entered under the forest crop land and managed forest land programs; and (e) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license. Application, conversion and transfer fees under the managed forest land program are dedicated within the forestry account for specific purposes related to that program.

The primary source of revenue to the water resources account is an annual transfer of motorboat fuel tax revenue into the account. The amount of the transfer each fiscal year is calculated by multiplying the motor fuel tax on 50 gallons of gasoline on April 1 of the previous fiscal year by the number of motorboats registered as of January 1 of the previous fiscal year and

then multiplying this result by 1.4. In 2001-02, \$10,755,900 was transferred to the water resources account under this formula.

State recycling programs are funded from the segregated recycling fund. The recycling fund had an unencumbered balance of \$8.8 million on July 1, 2002 and is expected to have a June 30, 2003, available balance in excess of \$5 million. Further, considering 2003-05 commitments the recycling fund appears structurally sound. The fund receives revenue of over \$34 million annually from two main sources: (a) a recycling surcharge on businesses with at least \$4 million in gross receipts that equals 3% of gross tax liability for corporations or 0.2% of net business income for nonfarm sole proprietorships, partnerships, limited liability companies taxable as partnerships and S corporations; and (b) a recycling tipping fee of \$3 per ton of solid waste, other than high-volume industrial waste, that is landfilled in Wisconsin. Expenditures are budgeted at \$34.7 million in 2002-03. Approximately two-thirds of cumulative recycling fund expenditures have been for the municipal and county recycling grant program administered by DNR. The program provides financial assistance to local governments for a portion of eligible recycling program expenses. The recycling fund also funds 28 positions in state agencies, including 18.5 DNR positions responsible for recycling regulation, financial assistance, technical assistance and education functions. The remaining 9.5 positions administer recycling programs in the Departments of Commerce, Corrections, Revenue and the UW System.

Alternatively, it could be argued that as CWD is primarily a wildlife management issue directly affecting the state's deer herd, funds from the fish and wildlife account (which benefits from the revenues generated by the sale of deer hunting licenses) are the most appropriate to meet current needs. Despite a structural imbalance, the account is anticipated to end the biennium with a sufficient balance to provide the entire \$2 million requested.

ALTERNATIVES

1. Approve the Department's request to provide \$1,000,000 from the fish and wildlife account of the conservation fund and \$1,000,000 from the available balance of the wildlife damage program on a one-time basis in 2002-03 for CWD management efforts.
2. Provide up to \$2,000,000 on a one-time basis in 2002-03 from a combination of the following sources for CWD management:
 - a. From the available balance of the fish and wildlife account of the conservation fund:
 - (1) \$2,000,000.
 - (2) \$1,500,000.
 - (3) \$1,000,000.
 - (4) \$500,000.
 - (5) Any amount up to \$2,000,000.

- b. From the available balance of the wildlife damage program:
 - (1) \$1,000,000.
 - (2) \$500,000.
 - (3) Any amount up to \$1,000,000.

- c. From the available balance of the recycling fund:
 - (1) \$2,000,000.
 - (2) \$1,500,000.
 - (3) \$1,000,000.
 - (4) \$500,000.
 - (5) Any amount up to \$2,000,000.

- d. From the available balance of the water resources account of the conservation fund:
 - (1) \$400,000.
 - (2) \$200,000.
 - (3) Any amount up to \$400,000.

- e. From the available balance of the forestry account of the conservation fund:
 - (1) \$600,000.
 - (2) \$400,000.
 - (3) \$200,000.
 - (4) Any amount up to \$600,000.

- 3. Deny the request. (DNR could submit a revised CWD management plan.)

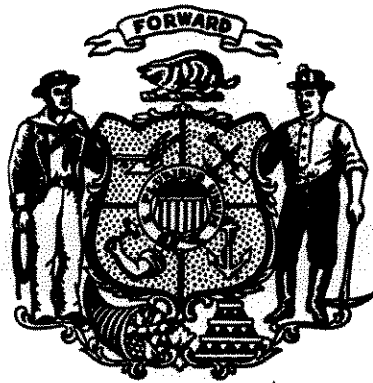
Prepared by : Rebecca Hotynski

I. Department of Natural Resources – Darrell Bazzell, Secretary

The department requested a supplement of \$2,000,000 SEG from the Committee's appropriation under s. 20.865(4)(u) to the department's chronic wasting disease management - supplemental funds appropriation under s. 20.370(5)(fv) for continued efforts in monitoring and controlling chronic wasting disease under the 14-day passive review of section 19(1) and (2), 2001 Wisconsin Act 108.

Due to an objection from a Committee member, this request is now before the Committee under s. 13.10.

END



END

III. Wisconsin Historical Society – George Vogt, Director

The society requests a transfer of \$66,200 GPR and 1.0 FTE GPR position in fiscal years 2002 and 2003 from the general program operations appropriation under s. 20.245(1)(a) to the historic sites and museum operations appropriation under s. 20.245(1)(ag) to create a deputy division administrator for the society's Division of Historic Sites.

Governor's Recommendation

Approve the transfer of \$66,200 GPR and 1.0 FTE GPR positions in fiscal years 2002 and 2003 from the general program operations appropriation under s. 20.245(1)(a) to the historic sites and museum operations appropriation under s. 20.245(1)(ag) to create a deputy division administrator for the society's Division of Historic Sites.



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DATE: October 5, 2001

TO: Senator Brian Burke, Senate Chair
Representative John Gard, Assembly Chair
Members, Joint Committee on Finance

FROM: George Vogt, Director
Wisconsin Historical Society

SUBJECT: Request to Move a GPR Position and Funding Between Appropriations

Brief Summary of the Request

The Society requests the transfer of \$66,200 GPR and 1.0 GPR position from the appropriation under section 20.245(1)(a) to the appropriation under section 20.245(1)(ag) effective at the beginning of 2002-2003.

Background of the Request

During the process of considering how to implement the permanent GPR budget cuts and the PRO lapses during the biennium, all vacant GPR positions were evaluated in light of three questions. The first question was whether the position should be eliminated. If the position could not be eliminated, the second question was how long the position should remain vacant to realize turnover savings. If a position could remain vacant for some time, the third question was to determine whether the position eventually should be filled as presently authorized or reallocated to address a more pressing need. Those questions were considered in relation to a vacant Librarian Supervisor 2 position in the Division of Library and Archives. It was decided to (a) retain the position, (b) leave the position vacant for all of 2001-2002 to realize turnover savings and (c) reallocate the position to the Division of Historic Sites and fill it at the beginning of 2002-2003. That reallocation requires a transfer between the Society's two new GPR general program operations appropriations.

The Division of Historic Sites presently has a "thin" management structure. Old World Wisconsin (representing over half of the program's visitation, revenues and expenditures) has a Site Director and an Assistant Director. Wade House, H. H. Bennett and Villa Louis have a Site Director. Pendarvis, First Capitol and Stonefield share a Site Director. Madeline Island and the Northern Great Lakes Center also share a Site Director. The Division Administrator and a Policy Analyst are located in Madison.

There are a number of other factors that complicate the management of the division. In many ways, the program is more like a private sector than a public sector activity. The program is heavily dependent on the generation of program revenues – almost 75% of the Society's program revenue expenditure authority relates to the historic sites program. During the sites' season, the program is a seven-day-a-week operation. The program is overwhelmingly dependent on LTEs and volunteers to provide public programming. The program is impacted by minimum wage increases, the difficulty of hiring in many of the communities where sites are located, the weather, road construction, the economy, etc. Marketing and fund-raising are important needs of the program. The division is responsible for more than 100 historic and 100 non-historic buildings. The sites are scattered around the state. If a Site Director leaves, the division administrator's job is even more difficult. These and other challenges necessitate the program have another top management position.

The Society proposes to keep the Library position vacant for 2001-2002 to generate turnover savings and allow the Historic Sites Division Administrator to initiate the recruitment to fill another management position shortly after the start of calendar 2002. That would allow the new position to be filled at the beginning of 2002-2003.

How the Request Meets Statutory Criteria

The transfer falls under section 13.101(4). In light of the need to meet the program revenue lapses for each year of the biennium, the historic sites program needs an improved management structure to make sure it is operating as efficiently as possible. That need is highlighted by noting that the Society's biennial program revenue lapse total of just under \$350,000 compares with a present cash balance of just over \$390,000 for all Society program revenue accounts.

The Society will be represented at the unscheduled quarterly meeting by myself and/or the Associate Director, Bob Thomasgard.



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

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Date: October 16, 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration *George Lightbourn*

Subject: Section 13.10 Request from the Wisconsin Historical Society to Transfer 1.00 FTE GPR Between Appropriations

Request

The society requests a transfer of \$66,200 GPR and 1.0 FTE GPR position in fiscal years 2002 and 2003 from the general program operations appropriation under s. 20.245(1)(a) to the historic sites and museum operations appropriation under s. 20.245(1)(ag) to create a deputy division administrator for the society's Division of Historic Sites.

Background

In the spring of 2000, the Governor approved a request by the Wisconsin Historical Society to merge the Division of Library Services with the Division of Archives and Research Services to create the new Division of Library and Archives (DLA). The administrative efficiencies created by this merger has allowed the society to reduce the number of managers needed to run the new DLA. As a result, the society has been examining whether to use these positions to meet the budget efficiency measures required in the 2001-03 biennial budget or to reassign this supervisor position to another division.

The society's budget efficiency plan calls for the elimination of one of these vacant supervisory positions, but the society determined that a vacant librarian supervisor position could be used to provide additional staff support in the Division of Historic Sites (DHS) as a deputy division administrator. DHS operates historic sites across the state, but the society's support system for the various historic sites is minimally staffed. The society only has three positions that offer services to historic sites: the division administrator, a policy analyst position and a project coordinator position.

Analysis

When the society was developing its 2001-03 biennial budget request, DLA was still a relatively new division and it was uncertain where administrative efficiencies would be found. The inclusion of a 5 percent base reduction to state operations and other efficiency measures further complicated the identification of efficiencies. The society was unable to identify a possible position to use as a deputy division administrator for DHS until its plan to meet the budget efficiency measures had been finalized. Now that the society's plans to meet the 5 percent and other base reductions have been finalized, the librarian supervisor position is available to transfer to DHS to serve as deputy division administrator. This transfer would not increase of supervisory positions at the society.

A deputy division administrator position for DHS appears to be a reasonable use of a vacant supervisory position. The number of state support staff means that when a site director position or other supervisory positions are vacant at a historic site, the site requires more direct supervision from the division administrator. The increased on a small number of sites by the division administrator diminishes the society's ability to provide leadership and oversight for the overall historic site system. If the system as whole does not operate efficiently it puts the historic sites at financial risk since 75 percent of the society's program revenue comes from admission fees. A deputy division administrator could provide more supervision and management in DHS thereby allowing the division administrator to focus more on strategic planning. With declining or stagnant attendance at many of the historic sites, a much better use of the division administrator position would be using it to examine ways to increase attendance and find ways to help the state's historic sites adapt to a changing environment.

Recommendation

Approve the transfer of \$66,200 GPR and 1.0 FTE GPR positions in fiscal years 2002 and 2003 from the general program operations appropriation under s. 20.245(1)(a) to the historic sites and museum operations appropriation under s. 20.245(1)(ag) to create a deputy division administrator for the society's Division of Historic Sites.

Prepared by: Joshua Hummert
264-8259



Legislative Fiscal Bureau

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

November 5, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Historical Society: Section 13.10 Request to Transfer GPR Position Authority and Funding Between Appropriations -- Agenda Item III

The State Historical Society (SHS) requests the transfer of \$66,200 GPR and 1.0 GPR position from the Society's general program operations appropriation (s.20.245(1)(a)) to the general program operations appropriation for historic sites and museum services (s. 20.245(1)(ag)), beginning in 2002-03.

BACKGROUND

The SHS owns and operates eight historic sites including, the First Capitol in Belmont, the H.H. Bennett Studio and History Center in Wisconsin Dells, the Madeline Island Historical Museum in La Pointe, Old World Wisconsin in Eagle, Pendarvis in Mineral Point, Stonefield in Cassville, Villa Louis in Prairie du Chien and the Wade House and Wesley Jung Carriage Museum in Greenbush. In addition, the SHS owns the Circus World Museum in Baraboo which is managed by the Circus World Museum Foundation, Inc. under a lease-management contract. The Society also operates a History Center and Archives at the Northern Great Lakes Visitor Center in Ashland. In total, the program is responsible for over 100 historic and 100 non-historic buildings.

The program is authorized 32.5 classified positions and 1.0 unclassified division administrator position. In addition, the program employs limited term employees, between 300 to 400 individuals each year, and volunteers to staff the sites on a seasonal basis. The sites generate over 60% of the total program revenue for the SHS.

Under 2001 Act 16, the appropriation structure for the SHS was restructured to consolidate five divisions and 59 appropriations into one division with 15 appropriations. Under the new

structure, two GPR general program operations appropriations were maintained to separate out the historic sites and museum services operations from other SHS general program operations. Act 16 also requires the Society to reduce general program operations expenditures by \$525,800 annually, and lapse \$174,200 PR in each year to the general fund.

ANALYSIS

The SHS seeks to transfer 1.0 library supervisor position and \$66,200 GPR from the Society's general program operations appropriation to the general program operations appropriation for historic sites and the museum to act as a deputy division administrator for the historic sites program. According to SHS officials, the library supervisor position has been vacant since June, 2000. The duties of the position have been taken over by another library supervisor. The SHS plans to keep the position vacant for 2001-02 to generate savings to fund the 5% reductions required under Act 16, and seeks to transfer the position in 2002-03.

Currently, the historic sites program has two persons performing central administration activities, the division administrator and an administrator policy advisor position, while the remaining positions work directly at the sites throughout the state. Because of the dispersed locations of the sites, the division administrator is required to spend significant time traveling. In addition, the division administrator must occasionally fill in for a site director position that becomes vacant. The division administrator also has a role in assisting sites in generating program revenue, both from operations and fund-raising, and finding LTEs and volunteers to staff the sites during the season.

According to SHS officials, the new position would assist the existing division administrator with fund-raising activities, marketing and grant writing. SHS officials indicate that the need for assistance has become more important as the program relies heavily on program revenue. In addition, because the program generates most of the Society's overall program revenue, the historic sites program will be required to generate the majority of the \$174,200 annual program revenue lapse under Act 16.

SHS staff indicate that they did not consider a request for additional positions in their 2001-03 budget request because of the Department of Administration's directions to agencies to limit requests for GPR spending and develop preliminary plans for potential budget reductions. However, with increasing pressures on the historic sites program to generate additional revenue and continued difficulty in fully staffing the sites during the operational seasons, the SHS officials have made it a priority to reallocate a position and funding to create a deputy historic sites administrator to assist with these duties. Staff from SHS indicate that their transfer request falls under s. 13.101(4) of the statutes, which allows the Committee to transfer between appropriations if the Committee finds that unnecessary duplication of functions can be eliminated, more efficient and

effective methods for performing programs will result or legislative intent will be more effectively carried out because of the transfer.

ALTERNATIVES

1. Approve the Historical Society's request to transfer \$66,200 GPR and 1.0 GPR position in 2002-03 from the Society's general program operations appropriation (s. 20.245(1)(a)) to the Society's general program operation for historic sites and museum services (s. 20.245(1)(ag)) to serve as a deputy to the historic sites district administrator.

2. Deny the request.

Prepared by: *Carri Tukul*

MO# Alt. 1

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	<input checked="" type="radio"/>	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
ROSENZWEIG	<input checked="" type="radio"/>	N	A
<u>2</u> 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

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