

B

AGENCY: DNR

PAPER: #646

ISSUE: Fisheries Management Staff

RECOMMENDATION: Alternative 2

SUMMARY: Any alternative (except #4 - current law) is fine but #2 would address broader needs.

BY: Barry

2 OK
6/21/83



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #646

Fisheries Management Staffing (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 468, #1]

CURRENT LAW

The DNR undertakes various activities related to monitoring, maintaining, and enhancing aquatic ecosystems and sport and commercial fisheries. Assessment and habitat protection surveys are conducted to identify critical areas where fish habitat is deteriorating or fish populations are declining. Surveys yield data relating to fish population structure and harvests, which are used in preparing environmental impact statements, developing regulations for the commercial fishing industry, and assessing the impact of Native Americans exercising treaty rights. In addition, DNR is responsible for Great Lakes fish management activities.

The Department also undertakes fish propagation and stocking efforts throughout the state. This function utilizes 10 cold-water (trout and salmon) facilities, three warm-water facilities (primarily for walleye, muskellunge, and bass), two dual-purpose hatcheries, and three spawning facilities where eggs from feral trout and salmon are collected. In addition, DNR complements these facilities with additional rearing ponds throughout the state. During 1999, DNR estimates that it stocked inland streams and the Great Lakes with 6.8 million cold-water fish. In addition, inland lakes were stocked with nearly six million warm-water fish, including 5.3 million walleye, 354,000 large-mouth bass, 122,000 northern pike, and 150,000 muskellunge.

GOVERNOR

Provide \$431,700 in 2001-02 and \$459,000 in 2002-03 with 3.0 fisheries biologists and technicians from the fish and wildlife account of the conservation fund.

DISCUSSION POINTS

1. In addition to supporting the fisheries management positions, DNR indicates that funds would be used for hatcheries maintenance and lake monitoring costs. Potential maintenance demands include roof replacement at the Thunder River hatchery, repairing security fencing at the Lake Mills hatchery, installation of new rearing tanks at the Osceola hatchery, repairing the Kettle Moraine hatchery's ozone unit, repairing a water supply main at the Nevin hatchery, and repairing Woodruff hatchery's hot/cold water control system, upgrading computer hardware and software, and installing an ultraviolet (UV) light disinfectant system.

2. The fish and wildlife account of the conservation fund is estimated to have a closing balance of approximately \$11.3 million on June 30, 2003. The main source of revenue to the fish and wildlife account is fees paid by hunters and fishers for approvals and licenses authorizing them to hunt or fish for various species.

3. In addition, given the popularity of fishing in Wisconsin (over 1.3 million fishing-related licenses and stamps were sold in fiscal year 2000), and the financial support that the fish and wildlife account has received from individuals purchasing fishing licenses and approvals, some have argued that additional field staff beyond the Governor's provision could be considered. In its budget request, DNR identified nine positions that would deliver fisheries management services to anglers. Projects include monitoring of water quality and fish habitat, fish management, hatcheries maintenance and improvement, and fisheries technical support to ongoing projects. To the extent that the fish and wildlife account of the conservation fund is able to support additional fisheries management field staff positions, additional priorities could be addressed under this initiative. The specific positions DNR has prioritized filling are detailed in the Attachment. The order of the positions is consistent with the Department's hiring priorities; however, further review may be undertaken before actual staff would be assigned to a specific location. An entry-level fisheries biologist would cost approximately \$24,200 in 2001-02 and \$42,200 in 2002-03. An entry-level fisheries technician would require approximately \$19,600 in 2001-02 and \$32,900 in 2002-03. These costs include salary, fringe benefits, supplies and one-time funding. Providing the DNR's original request for nine staff (four fisheries biologists and five fisheries technicians) would cost an additional \$133,400 in 2001-02 and \$225,300 in 2002-03 (over the three staff provided in the bill).

4. The Department has argued that reductions in field staff have complicated their efforts to provide a level of field support adequate to appropriately manage the state's fisheries habitats and resources. However, few of the documentable reductions in field staff in recent years have taken place because of legislative action. Between 1993 and 1999, legislation resulted in a fisheries management net loss of 0.5 position. Between 1993 and 1998, however, approximately 40.42 field staff were transferred away from fisheries management field work to a variety of activities, including 13 positions within facilities and lands, 12 positions moved to water division field operations, reallocation of 5.67 staff to customer service and licensing, and a position transferred to administration and field services. Some of these transfers retained fisheries management duties: for example, seven positions were transferred to the Mississippi River Work unit under departmental reorganization, to continue performing fisheries-related activities. In

addition, eight of the fisheries technician positions transferred were to continue to address responsibilities that had been relocated to facilities and land under DNR reorganization. The net affect of these transfers, however, was to reduce the overall number of fisheries biologists and technicians available to perform field work. It could be argued that the current difficulties being experienced within the bureau of fisheries management and habitat protection were most directly the result of changes in DNR departmentwide priorities rather than actual budget reductions. As such, they could be addressed through a reallocation of staff from administrative or management priorities back to positions emphasizing fisheries management field work.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$431,700 in 2001-02 and \$459,000 in 2002-03 for 3.0 fisheries biologists and technicians from the fish and wildlife account of the conservation fund.

<u>Alternative 1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$890,700
[Change to Bill]	\$0]
2002-03 POSITIONS (Change to Base)	3.00
[Change to Bill]	0.00]

2. Adopt the Governor's recommendation. In addition, provide \$131,400 in 2001-02 and \$225,300 in 2002-03 for 3.0 fisheries biologists and 3.0 fisheries technicians to address DNR fisheries management priorities statewide. (A total of 9.0 staff would be provided.)

<u>Alternative 2</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$1,247,400
[Change to Bill]	\$356,700]
2002-03 POSITIONS (Change to Base)	9.00
[Change to Bill]	6.00]

3. Transfer \$89,400 in 2001-02 and \$108,000 in 2002-03 and 3.0 positions to provide for a fisheries biologist and two fisheries technicians. Specify that 2.0 positions and \$120,800 (\$55,000 in 2001-02 and \$65,800 in 2002-03) be transferred from the Bureau of Facilities and Lands, and 1.0 position and \$76,600 (\$34,400 in 2001-02 and \$42,200 in 2002-03) be transferred from Customer Service and Licensing. (This could be in addition to, or in lieu of, Alternative #1.)

4. Maintain current law.

Alternative 4	SEG
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$890,700
2002-03 POSITIONS (Change to Base)	0.00
[Change to Bill]	- 3.00

Prepared by: Rebecca Hotynski

MO# Alt 2

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

AYE 8 NO 8 ABS _____

MO# Alts 1+3

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

AYE 8 NO 8 ABS _____

MO# Alt 1

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

AYE 8 NO 8 ABS _____

NATURAL RESOURCES -- FISH, WILDLIFE, & RECREATION

Fisheries Management Staffing

[LFB Paper #646]

Motion:

Move to transfer \$131,400 in 2001-02 and \$225,300 in 2002-03 and 6.0 positions from the Bureau of Facilities and Lands to the Division of Water for 3.0 fisheries biologists and 3.0 fisheries technicians to address DNR fisheries management priorities statewide.

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

AYE 8 NO 8 ABS _____

ATTACHMENT

Position 1: Fisheries technician (Green Bay)

This position would have primary responsibility for piloting and maintaining the fisheries research vessel (The PERCA). It would also support ongoing perch research in Green Bay and Lake Michigan.

Position 2: Fisheries technician (Wild Rose, Langlade, Fitchburg)

This position would be split to increase three part time LTE fisheries technicians to full time. These positions include a coldwater production specialist at the Wild Rose fish hatchery, a fisheries technician providing salmonid support at the Thunder River fish hatchery (who also assists at the Langlade and Lakewood fish hatcheries), and a propagation technician at Nevin fish hatchery in Fitchburg.

Position 3: Fisheries biologist (Park Falls)

This position would have primary responsibility for resource monitoring within the region, including data quality assurance and assisting regional biologists with sampling efforts. The Department indicates that with 820 lakes larger than 100 acres and 44% of all trout streams located in this region, demand for fish and water quality monitoring is high. This position would also be involved in treaty work, monitoring walleye and muskellunge resources.

Position 4: Fisheries technician (Park Falls)

This position would provide support to the biologist position requested for the region. Duties would be similar, including fish regulation evaluations and evaluations of stocking efforts in the area as well.

Position 5: Fisheries technician (Sturtevant)

This position would be responsible for a variety of activities at the Root River Steelhead facility, including propagation activities, fish health monitoring, management surveys, and trends monitoring. The Root River facility supports a significant portion of the Lake Michigan steelhead and coho propagation program, and provides some backup support for the Chinook salmon stocking program (including providing eggs to other states).

Position 6: Fisheries biologist (Northern Marathon County and Wisconsin Dells)

This position would be responsible for Wisconsin River fish management activities for approximately 52,225 acres of flowages and 60 miles of river. Potential duties include

management of exotic species invasion, contaminants, algae blooms, rough fish control (including carp), sturgeon reintroduction, and fishing regulation assessments.

Position 7: Fisheries biologist (Lower St. Croix River)

This position would be responsible for water quality and fish management activities along the lower St. Croix River.

Position 8: Fisheries technician (Horicon)

This position would support the fisheries biologist who is assigned to the Upper Rock River basin.

Position 9: Fisheries biologist (Lower Wisconsin basin)

This position would be responsible for fish management and water quality sampling efforts throughout the region.

AGENCY: DNR

PAPER: #647

ISSUE: Wildlife Management Staffing

RECOMMENDATION: Alternative 2

SUMMARY: Any alternative (except #4 - current law) is fine but #2 would address broader needs.

BY: Barry

2 OK
Card - Welch motion
Attys 1 & 3



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #647

Wildlife Management Staffing (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 469, #2]

CURRENT LAW

A central responsibility of the DNR is to protect and manage the wildlife populations and habitats of the state. Wildlife biologists and technicians manage and regulate various species, including deer, bear, elk, geese, turkey, and waterfowl. Wildlife personnel also manage urban and captive wildlife programs, rehabilitation issues and educational efforts.

DNR also operates the state game farm at Poynette, which raises approximately 32,000 pheasant roosters and 8,000 hens annually for stocking on public hunting grounds and provides almost 65,000 day-old rooster chicks annually to 83 conservation and sports clubs under cooperative agreements. In addition, DNR also administers the wild pheasant restoration program and is currently in the process of reintroducing elk herds in northern Wisconsin.

GOVERNOR

Provide \$307,800 in 2001-02 and \$235,000 in 2002-03 for 3.0 wildlife biologists and technicians from the fish and wildlife account of the conservation fund.

DISCUSSION POINTS

1. DNR indicates that \$66,000 (in 2001-02 only) would be used for equipment replacement (such as tractors and mowers). Approximately \$87,500 in 2001-02 and \$76,000 in 2002-03 would be used to replace radio equipment, and \$50,000 annually would be for supplies and services, as well as partnership efforts (such as funding for shared positions with state and federal partners for the Wetlands Reserve Program).

2. The fish and wildlife account of the conservation fund is estimated to have a closing balance of approximately \$11.3 million on June 30, 2003. The main source of revenue to the fish and wildlife account is fees paid by hunters and fishermen for approvals and licenses authorizing them to hunt, fish, or trap.

3. It may be argued that given the prominence of wildlife management issues in Wisconsin, and the financial support that the fish and wildlife account has received from individuals purchasing hunting and fishing licenses and approvals, additional field staff beyond the Governor's provision may be desirable. In its budget request, DNR identified 18,200 hours of highest-priority work that was not being addressed statewide. These projects include management activities on the Brillion, Killsnake, and Collins wildlife areas near Appleton, and urban wildlife work in the Fox River Valley. In addition, staffing needs in the Florence/Crandon area were cited – wildlife management staff was requested for Spread Eagle Barrens and the Pine-Popple Wild River areas, as well as to assist with deer herd management activities. Staffing for grassland prairie habitat restoration in Lafayette County was cited, as were wildlife management projects in Wood and Marathon County Forests. Finally, habitat maintenance and restoration in the Kettle Moraine State Forest was identified as a priority. Nine of DNR's highest priority wildlife management staffing requests are described in the Attachment. The order of the positions is consistent with the Department's hiring priorities; however, further review may be undertaken before actual staff would be assigned to a specific location. To the extent that the fish and wildlife account of the conservation fund is able to support additional wildlife management field staff positions, additional priorities could be addressed under this initiative. An entry-level wildlife biologist would cost \$24,200 in 2001-02 and \$42,200 in 2002-03. An entry-level wildlife technician would cost approximately \$19,600 in 2001-02 and \$32,900 in 2002-03. These costs include salary, fringe benefits, initial supplies, and ongoing supplies and services funding. Providing the DNR's original request for nine staff (two wildlife biologists and seven wildlife technicians) would cost \$122,200 in 2001-02 and \$206,700 in 2002-03 (in addition to funding provided under the bill).

4. The Department has argued that reductions in field staff have complicated their efforts to provide a level of field support adequate to appropriately manage the state's wildlife resources. However, few of the documentable reductions in field staff in recent years have taken place because of legislative action. Under 1995 Act 27, 7.8 FTE wildlife management field staff positions were removed, including 1.8 positions associated with the Poynette game farm and 6.0 long-term vacancies were deleted. Between 1993-94 and 1999-2000, DNR received 5.0 FTE wildlife management field staff and 2.0 project positions for bureau central office activity related to wildlife management through the budget process. Between 1993 and 1997, however, approximately 21.25 FTE field staff were transferred away from wildlife management field work to a variety of activities, including 15 positions to lands division management, 2.25 staff to customer service and licensing, and a position transfer to the bureau of endangered resources. It could be argued that the current difficulties being experienced within the bureau of wildlife management are more directly the result of changes in DNR departmentwide priorities. As such, they could be addressed through a reallocation of staff from administrative or management priorities back to positions emphasizing wildlife management field work.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$307,800 in 2001-02 and \$235,000 in 2002-03 with 3.0 wildlife biologists and technicians from the fish and wildlife account of the conservation fund.

<u>Alternative 1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$542,800
[Change to Bill]	\$0
2002-03 POSITIONS (Change to Base)	3.00
[Change to Bill]	0.00

2. Approve the Governor's recommendation. In addition, provide \$122,200 in 2001-02 and \$206,700 in 2002-03 for 1.0 wildlife biologist and 5.0 wildlife technicians to address DNR wildlife management priorities statewide. (A total of 9 staff would be provided.)

<u>Alternative 2</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$871,700
[Change to Bill]	\$328,900
2002-03 POSITIONS (Change to Base)	9.00
[Change to Bill]	6.00

3. Transfer \$89,400 in 2001-02 and \$108,000 in 2002-03 and 3.0 positions to provide for a wildlife biologist and two wildlife technicians. Specify that 2.0 positions and \$120,800 (\$55,000 in 2001-02 and \$65,800 in 2002-03) be transferred from Lands Division management, and 1.0 position and \$76,600 (\$34,400 in 2001-02 and \$42,200 in 2002-03) be transferred from Customer Service and Licensing. (This alternative could be adopted in addition to, or in lieu of, Alternative #1.)

4. Maintain current law.

<u>Alternative 4</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	-\$542,800
2002-03 POSITIONS (Change to Base)	\$0
[Change to Bill]	- 3.00

Prepared by: Rebecca Hotynski
Attachment

MO# Alt. 2

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

MO# MHS-113

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

AYE 8 NO 8 ABS

NATURAL RESOURCES -- FISH, WILDLIFE, & RECREATION

Wildlife Management Staffing

[LFB Paper #647]

Motion:

Move to transfer \$122,200 in 2001-02 and \$206,700 in 2002-03 and 6.0 positions from Lands Division Management to provide 1.0 wildlife biologist and 5.0 wildlife technicians to address DNR wildlife management priorities statewide.

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

AYE 8 NO 8 ABS _____

ATTACHMENT

Position 1: Wildlife technician (Appleton)

This position would be active in Outagamie, Calumet, Brown and Manitowoc counties. Responsibilities would include property management for 17,000 acres of public land (consisting of the Brillion, Killsnake, and Collins wildlife areas, which require grassland and wetland management, land acquisition, and pheasant stocking); private land management in the region involving wetland and grassland restoration, as well as pheasant, turkey, and waterfowl management; and watershed and non-point source pollution issues affecting area wildlife management. The Fox River Valley is also experiencing increased demands for services associated with urban wildlife management issues.

Position 2: Wildlife technician (Peshtigo)

This position would be active in Oconto and Marinette counties. The technician would have job responsibilities in 11 units of the Green Bay West Shores Wildlife areas, the Peshtigo Brook Wildlife Area, Seagull Bar Natural Area, and the Bloch Oxbow Natural Area. In total, the position will have technical wildlife management responsibilities on approximately 60,000 acres of public land. Responsibilities may also include maintaining and marking approximately 25 miles of property boundary between DNR and private land in Oconto County (to address increasing trespass problems), maintaining service roads, dikes, and other property developments; wildlife management work in the Oconto County forest, as well as contacts and management efforts associated with private land; and wetland restoration along the west shore of Green Bay. The Department indicates that since reorganization in 1995, there has been no wildlife technician with a primary assignment in Oconto County.

Position 3: Wildlife technician (Kewaunee)

This position would be active in Door, Kewaunee, Brown, and Manitowoc counties. Responsibilities include property management on wildlife areas and natural areas in Door and Kewaunee counties, as well as wetland and grassland restoration on private land. These areas are also experiencing increasing requests for assistance in urban wildlife management planning. Currently, Kewaunee, Algoma, and Sturgeon Bay do not have DNR staff coverage to provide wildlife management assistance. The Buzz Besadny, Mud Lake, and Gardner natural areas as well as the Potowatomi, Newport, Rock Island, and Peninsula State Parks have unmet requests for wildlife management.

Position 4: Wildlife biologist (Florence or Crandon)

This position would be active in Florence and Forest counties. The Department indicates that a permanent wildlife management position has been lacking in Florence County for approximately 20 years. Responsibilities would include quota setting, deer management and

damage issues in five deer management units (DMUs); public lands management on the Spread Eagle barrens, Pine-Popple wild river, Nicolet National Forest, and county forest lands; wildlife surveys with special emphasis on ecologically sensitive species and habitats; and educational programs.

Position 5: Wildlife technician (Ashland)

This position would be active in Iron, Ashland, Bayfield, and Douglas counties. Responsibilities would include wildlife surveys for predator tracking, ruffed grouse drumming, sharptailed dancing ground, woodcock peeting, anuran, bear bait, furbearer carcass collection, deer registration and deer aging; wildlife habitat and development work on six state wildlife and fisheries management areas (covering 9,600 acres), as well as on approximately 162,800 acres of state owned land in the 4-county region, and would support wildlife work done on 642,200 acres of county forest land; and private wetlands and grassland restoration projects.

Position 6: Wildlife biologist (Darlington)

This position would be active in Green, Grant, southern Iowa, and Lafayette counties. Responsibilities would include restoration of grassland prairie habitat, wildlife management assistance to private land owners, as well as land and wildlife management activities on 13,800 acres of public land and 14,200 acres of leased public hunting grounds.

Position 7: Wildlife technician (Wisconsin Rapids)

This position would be active in Wood, Portage, and Marathon counties. Responsibilities would include land and wildlife management work at Dewey Marsh, Emmons Creek, Wood and Marathon county forests, and several other smaller fisheries and remnant properties. Other projects would include endangered and threatened resources surveys and habitat work as well as invasive plant surveys and eradication efforts.

Position 8: Wildlife technician (Baldwin)

This position would be active in St. Croix and southern Polk County. Responsibilities would include habitat work in the Western Prairie Habitat restoration area (which includes approximately 20,000 acres), land acquisition and management activities, and coordination of projects with federal, county, and private partners.

Position 9: Wildlife technician (Waukesha)

This position would be active in Walworth County. Responsibilities would include habitat and restoration work on approximately 4,000 acres of scattered wildlife areas, 5,500 acres of the Turtle Valley wildlife area, and 7,000 acres in the Kettle Moraine; private wetland restoration activities; and support and consultations regarding wildlife inquiries through the Waukesha service center.

AGENCY: DNR

PAPER: #648

ISSUE: Managing Wildlife Diseases

RECOMMENDATION: Alternative 2

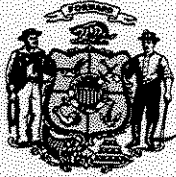
Good okay

SUMMARY: Should make DNR work in cooperation with other agencies and bring this back to JFC.

(DNR working with other agencies here can be a test case for how well they will communicate once split - hope it's better than how DNR and Commerce interact now.)

BY: Barry

*Decker motion -
require DNR, Tour,
DATED enter into work.
to split & (in addition
to AF 2)*



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #648

Managing Wildlife Diseases (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 469, #4]

CURRENT LAW

Within the DNR, the Bureau of Wildlife Management is responsible for the protection and management of wildlife populations and habitat. Wildlife biologists and technicians manage and regulate various species, including bear, deer, geese, turkey, and waterfowl. Department staff also assist in the management of wildlife on private land, and take part in related educational efforts. In conjunction with its wildlife management efforts, DNR also handles issues pertaining to urban and captive wildlife, as well as wildlife rehabilitation.

GOVERNOR

Provide \$150,000 annually from the fish and wildlife account for sampling and laboratory testing to manage emerging disease risks, including long-term disease monitoring of the deer herd for risk of chronic wasting disease and bovine tuberculosis. Efforts would also include assessing the health of urban geese prior to relocation, and monitoring fur-bearing animals for rabies.

DISCUSSION POINTS

1. Management of the Wisconsin deer herd is a primary responsibility of DNR. With the exception of isolated cases of bovine Tuberculosis (TB) in several captive elk herds (which were subsequently destroyed), Wisconsin has remained free of large-scale disease problems in its deer herd. Conservation wardens provide an accessible contact for sportsmen who shoot or observe potentially infected deer, and the DNR already conducts limited testing based on reports from hunters. Staff wildlife biologists, working in conjunction with conservation wardens and wildlife education staff undertake this responsibility. From this perspective, it may seem reasonable to entrust the monitoring of wildlife for disease incidence to the DNR.

2. Michigan's highly publicized struggle with bovine TB in its deer herd has raised concern among farmers, wildlife watchers, hunters, and wildlife managers. In addition to infecting the Michigan deer herd, bovine TB has been documented in carnivores known to feed on deer populations, and several Michigan cattle herds. Should this disease proliferate in Wisconsin, the economic impact on both the dairy and tourism industries could be severe. In addition, as the most likely means of introducing bovine TB, chronic wasting disease, and some other animal diseases into Wisconsin's resident deer or cattle herds is by importing infected livestock, developing a cooperative approach to detection and management with the Department of Agriculture, Trade, and Consumer Protection may be advisable. From this perspective, it could be argued the issue of wild and domestic animal disease management should be considered in a broader context. If the Governor's recommendation is not adopted, DNR could seek funding after a comprehensive state plan was developed. This would allow consideration of resources from other agencies in regard to management and prevention initiatives.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$150,000 annually from the fish and wildlife account for sampling and laboratory testing to manage emerging disease risks, including long-term disease monitoring of the deer herd for risk of chronic wasting disease and bovine tuberculosis. Efforts would also include assessing the health of urban geese prior to relocation, and monitoring fur-bearing animals for rabies.

<u>Alternative 1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$300,000
[Change to Bill]	\$0

2. Do not adopt the Governor's recommendation. Rather, allow DNR to submit a request under s. 13.10, without the finding of emergency, for up to \$150,000 SEG annually for a comprehensive animal disease management plan in collaboration with DATCP and other affected governmental agencies. The Joint Committee on Finance could provide funding upon approval of the management plan.

<u>Alternative 2</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	-\$300,000

3. Maintain current law.

<u>Alternative 3</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	-\$300,000

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

Prepared by: Rebecca Hotynski

AGENCY: DNR

PAPER: #649

ISSUE: Venison Processing Donation Program

RECOMMENDATION: (see summary)

SUMMARY: Whatever Shibilski & Decker want.

BY: Barry

Alt 1 Gord-r



Legislative Fiscal Bureau

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

May 15, 2001

Joint Committee on Finance

Paper #649

Venison Processing Donation Program (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 472, #8]

CURRENT LAW

A surcharge is added to most resident and non-resident hunting licenses to fund wildlife damage program activities. A \$1 surcharge is added to deer, bear, turkey, small game, and sports licenses. In addition, a \$2 surcharge is included in the cost of a conservation patron license. The wildlife damage program also receives all DNR revenue generated from the sale of bonus deer permits (\$12 for residents, \$20 for nonresidents). Together, these sources generated almost \$6.4 million for the wildlife damage program in 1999-00.

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) control of wild animals; and (c) 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 the DNR to abate deer damage. These cost are to be paid after other wildlife damage program expenditures, and the DNR is directed to prorate payments if available funding is not adequate to fully reimburse counties.

GOVERNOR

Allow any applicant for a deer, bear, turkey, or small game hunting license to elect to make a voluntary contribution of at least \$1 to be used for the venison processing and donation program, including promotional and educational activities.

DISCUSSION POINTS

1. Under the bill, monies received would be used to reimburse counties for the cost of processing donated venison (including processing, county administration costs, advertising, and donating costs incurred) during a deer damage management season for use by food pantries and charitable organizations. If donations were not sufficient to reimburse counties for their expenditures on the venison donation program, monies from the wildlife damage program could continue to be used (after payments were made for county administrative costs, wildlife damage abatement assistance, and wildlife damage claim payments). DNR would prorate reimbursement to counties if funds were insufficient for full payment. Donated funds would also be available for promotional and educational activities and materials to encourage voluntary contributions to the venison processing program. Counties would be required to make reasonable efforts to donate the venison (rather than required to donate it, currently) to be eligible for reimbursement.

2. During the fall 2000 deer herd control hunts, almost 7,800 deer were donated to be processed for food pantries statewide. The program cost the state an estimated \$489,000 and resulted in approximately 350,000 pounds of meat being donated to food pantries. Approximately 20% (or \$97,800) was used to fund county administrative efforts and advertising expenses to increase public awareness of the program; the remaining \$391,200 compensated processing and donation costs.

3. A similar donation program initiated in Maryland received donations of at least \$1 from 30% of hunters. If 30% of all hunters (resident and non-resident) purchasing deer, bear, turkey, or small game licenses in Wisconsin donated \$1, approximately \$423,000 would be raised. Based on license sales totals from fiscal year 2000, 35% of hunters purchasing deer, bear, turkey, or small game licenses would need to donate \$1 each in order to generate sufficient monies to fully fund the venison donation program (assuming a similar season and donation structure as in 2000). Wisconsin currently has a similar check-off option on applications for fishing licenses and boat registrations. Individuals have the option of donating \$1 or more for DNR lake research activities. The voluntary checkoff generated \$69,500 in 1999-00; for comparison, over one million fishing licenses were sold in 1999-00, and approximately 370,000 boat registrations or renewals took place. This represents a less than 5% participation rate. If similar results were applied to the venison donation program, it would be expected generate about \$70,000 annually.

4. At this time, DNR estimates that Zone T hunts will be held in 82 of the states 125 deer management units (66%). This would represent a decrease from 2000, when Zone T hunts were held in 97 of the 125 deer management units (78%). Funding required to support the venison processing program is expected to remain similar to 2000 levels – county administrative expenses are predicted to decrease, as many of the donation agreements were established in 2000, but processing costs may increase as public awareness of the program may grow over time.

5. It may be argued that the venison donation program encourages hunters who would not otherwise harvest additional deer to do so, thereby decreasing the number of surplus deer and (with the reduction of the deer herd) contributing to lower wildlife damage payments. From this perspective, it would be considered appropriate to use wildlife damage revenues to fund the venison

donation program.

6. Alternatively, the cost of the venison donation program may create a substantial long-term demand on the wildlife damage program. Revenues to the wildlife damage program exceeded expenditures by almost \$3.7 million in fiscal year 2000. This was due to sales of deer hunting licenses and bonus deer permits associated with a large deer herd. During fiscal year 1999-00, the wildlife damage surcharge on licenses generated \$996,500 in revenue, while sales of bonus deer permits generated almost \$5.4 million. For comparison, it is estimated that the wildlife damage surcharge will generate over \$1.0 million in revenue for 2000-01, but revenues from sales of bonus permits declined by 86% to approximately \$740,000. Special Zone T hunts (and the associated free permits) occurred over the vast majority of the state last year, contributing to the decline in bonus permit sales. As Zone T hunts are again expected to be widespread for the 2001 deer hunt, bonus permit revenues could continue to be substantially reduced. Therefore, the viability of long-term funding of the venison donation program from wildlife damage revenues may be uncertain (payments would be prorated if funds were insufficient). Further, agricultural interests and DNR's Deer Management for 2000 and Beyond initiative have suggested a number of changes to the wildlife damage program that could significantly increase the state costs of the program. A review of the scope of the program may be appropriate, given that when funding for this program was approved under 1999 Act 9, its current magnitude may not have been anticipated.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to allow any applicant for a deer, bear, turkey, or small game hunting license to elect to make a voluntary contribution of at least \$1 to be used for the venison processing and donation program, including promotional and educational activities. (Payments for the program would also continue to come from the wildlife damage program, if available, and be prorated if donations and damage funds are insufficient.)
2. Approve the Governor's recommendation, but prohibit the use of funds from the wildlife damage program for the venison donation program. (This would have the effect of funding the venison processing donation program solely through voluntary contributions.)
3. Maintain current law. (The donation program would be funded entirely from wildlife damage revenues, if available.)

MO#	A A	A A	A B S
Att 2	N N	N N	NO 1
BURKE	(Y)	(Y)	A
DECKER	(Y)	(Y)	A
MOORE	(Y)	(Y)	A
SHIBILSKI	(Y)	(Y)	A
PLACHE	(Y)	(Y)	A
WIRCH	(Y)	(Y)	A
DARLING	(Y)	(Y)	A
WELCH	(Y)	(Y)	A
GARD	(Y)	(Y)	A
KAUFERT	(Y)	(Y)	A
ALBERS	(Y)	(Y)	A
DUFF	(Y)	(Y)	A
WARD	(Y)	(Y)	A
HUEBSCH	(Y)	(Y)	A
HUBER	(Y)	(Y)	A
COGGS	(Y)	(Y)	A

AGENCY: DNR

PAPER: #650

ISSUE: Automated License Issuance System

RECOMMENDATION: Alternative 2

SUMMARY: Anything automated seems to cost twice as much as originally thought. A little JFC oversight of this project won't hurt.

BY: Barry

Decker (DNR likes Alt 1)

Decker increase amount sales
agent can retain 50¢ to \$3.00

Albers &
Welch



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #650

Automated License Issuance System (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 473, #10]

CURRENT LAW

The Department of Natural Resources currently administers an automated hunting and fishing license sales system. There are a wide variety of licenses authorizing residents and nonresidents to hunt, fish, and trap. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time period for which the license is valid. To hunt or fish certain species, a stamp must be purchased in addition to the license.

Most licenses may be purchased directly from DNR or from sales agents appointed by the Department (such as county clerks, sporting goods stores, discount stores and bait shops), although certain licenses are only available through the Department. A sales agent may retain 50¢ per license and 15¢ per stamp from the purchase price. Currently, 236 different licenses and approvals are issued through the automated system.

GOVERNOR

Provide \$983,000 SEG annually from the fish and wildlife account of the conservation fund for the operation of the Automated License Issuance System (ALIS). This would include \$30,000 annually to contract for a professional evaluation of the system and planning associated with the rebidding of the ALIS contract in 2002. The remainder would go towards meeting the ALIS transaction charges, including kit supplies for the printing of licenses at ALIS terminals and consultant time for change orders to the ALIS system.

DISCUSSION POINTS

1. Under the prior license sales system, DNR distributed paper licenses to county clerks, who in turn distributed them to sales agents. DNR indicates that the prior system was problematic in terms of license distribution and revenue collection. The Department also indicates that the system was too paper-intensive and inconsistent across counties. The number and variation of licenses sold created problems for sales agents, and the prior delivery system did not allow agents to readily respond to variation in license demand.

2. Under ALIS, a data terminal and printer are placed at license sales locations. Hunting and fishing licenses are printed by agents on demand. In addition, license sales information is captured electronically and license revenue is collected via electronic funds transfer. All DNR licenses are programmed into the system and thus, all agents are able to sell all DNR licenses and stamps. Licenses are printed on durable stock and multiple licenses can be printed on one form. Agents can also be updated on new information through notices on an electronic bulletin board system. The delays of a paper system are minimized and license inventory control is improved.

3. The Department signed a contract for ALIS with Central Trust Bank of Missouri in December, 1997. Design negotiations for the system were completed in April, 1998. The system was piloted at 150 locations throughout the state in November and December of 1998, and was implemented statewide in March, 1999.

4. License sales agents do not purchase the sales terminals under the new system. Agents who participated in the previous license system are required to pay a one-time, refundable security deposit of \$250 to receive the equipment, while new agents under ALIS must pay a deposit of \$500.

5. The Department indicates there are approximately 1,600 agents under ALIS. Under the prior system, there were 2,400. Among those agents who left the system, DNR licensing staff do not believe that there are any trends with respect to region of the state or type of agents. The Department indicates that this loss of agents is mitigated by the fact that all licenses are available at all agent locations (rather than only certain licenses being available at various locations depending on the preference of the agent) and that licenses can also be purchased by telephone through a toll-free number under the new system.

6. In 1995-96, \$100,000 SEG from the conservation fund was provided to contract for the development of design specifications for an automated license system. In the 1997-99 biennial budget, over \$1.9 million SEG from the fish and wildlife account (\$657,000 in 1997-98 and \$1,288,000 in 1998-99) was provided for the development, marketing, proof of performance prototype and operational charges of ALIS. The 1999-01 biennial budget provided an additional \$916,100 in 1999-00 and \$897,700 in 2000-01 from the fish and wildlife account for ALIS expenses including transaction charges, systems maintenance, master lease costs for license terminals, and training and support costs. In total, base funding for the ALIS system is almost \$3.3 million annually.

7. Despite these funding increases, ALIS was in deficit for 1999-00, and required an additional \$1.7 million to cover costs. The majority of this was paid for out of the Division of Administration and Technology with federal funds and with fish and wildlife SEG. This cost overrun was part of a larger \$2.4 million shortfall experienced by the Customer Assistance and External Relations (CAER) Division. The Department's spending adjustments to cover this shortfall are detailed in Table 1. The licensing system cost overrun was attributed to the fact that the budget request for ALIS operations in 1999-01 was not based on prior experience with the system; DNR underestimated the number of transactions that would take place through ALIS during license year 1999, and consequently budgeted too little for license kit supplies, contract changes for system modifications, and the associated consultant fees. In total, for fiscal year 2000, ALIS costs exceeded \$5 million.

TABLE 1

Funds Used to Pay for CAER Shortfall, 1999-00

<u>Fund</u>	<u>Description</u>	<u>Funds Used to Cover Shortfall</u>
GPR	Administrative Division Operations	\$25,000
Conservation SEG	Law Enforcement Operations	40,000
Conservation SEG	Fisheries Management & Habitat Operations	500,000*
Conservation SEG	Wildlife Management Operations	250,000*
Various	Workers Compensation Surplus	189,500
Various	Departmentwide Excess Charge Balances	91,100
FED	Federal Indirect Administrative Surplus	1,260,700
Conservation SEG	Finance Insurance & WISMART Billing Surplus	116,500
GPR & Conservation SEG	Payplan surplus from Division of Water	23,200
Conservation SEG	Equipment Pool Operations	48,000
Conservation SEG	CAER Division Lapse	<u>(59,900)**</u>
Total:		\$2,484,100

*Uncommitted federal Dingell-Johnson (sport fish restoration) and Pittman-Robertson (wildlife restoration) funds were available. Because of restrictions on which expenditures are eligible for federal funding, other planned fish and wildlife expenditures were transferred to federal funding, and the equivalent amount deducted from the fish and wildlife programs to support CAER.

**This represents the amount lapsed from CAER at the end of the fiscal year.

8. During license year 1999 (April, 1999, through March, 2000), approximately 4,237,000 transactions were completed through ALIS by 1,628,700 customers. Approximately \$61.1 million in revenue was collected in license year 1999. For license year 2000 (April, 2000, through March, 2001), sales increased to 4,769,700 approvals generating over \$60.7 million in revenue. License year 1999 showed higher revenues than license year 2000 despite lower

transaction numbers due to a one-time bookkeeping gain from collections efficiencies. Before the implementation of ALIS, approximately eight weeks passed between the sale of a license and the transfer of revenue to DNR. Agents selling licenses through ALIS now make weekly electronic transfers. Consequently, in the first year of ALIS operations, DNR reported all revenues received for sales within the 52-week period and, in addition, received approximately eight weeks worth of revenues for sales that had actually occurred during the previous license year. This resulted in revenues to DNR for license sales in license year 1999 appearing higher than expected.

9. In addition to providing more accurate information regarding license sales, DNR indicates that it experienced increased revenues through the ALIS system. As previously mentioned, the implementation of ALIS decreased the amount of time between the sale of a license and the collection of revenue by DNR by approximately seven weeks. The fish and wildlife account gains interest on these funds accrued because of decreased transit time. Also, DNR now receives the portion of the issuing fee formerly retained by county clerks (approximately \$580,000).

10. In 2000-01, \$3,248,900 is appropriated for ALIS operations. DNR expects to experience ALIS-related cost overruns of approximately \$1.5 million, for the same reasons as cited earlier. Expenditures to date support this estimate. Again, the ALIS deficit is part of a larger CAER shortfall (estimated at \$1.9 million in 2000-01). DNR anticipated the ALIS cost overrun, and made funding adjustments early in 2000-01. The wildlife management, fisheries habitat, and law enforcement subprograms each supplied \$250,000 from their base budgets towards the shortfall, and approximately \$750,000 from the federal indirect cash balance supplied the remainder. (Federal indirect funds are supplied as part of the grants administration process. For all federally supported fish and wildlife project grants that provide staff, between 20 and 23% of funding may be directed by DNR for administrative costs.) The remaining \$470,400 shortfall attributable to CAER operations would most likely be covered from any savings realized at the end of the fiscal year primarily from lower than expected WISMART accounting costs.

11. A variety of cost-reduction initiatives have been enacted by customer service and licensing staff. Licenses are printed on paper receipts whenever possible, reducing the use of the more costly Valeron durable-stock printable material. Procurement, packaging, and distribution of supply kits are now managed by DNR, and change orders are processed in batches when feasible to reduce consulting costs. Based on monthly assessments of expenditures, transaction costs for 2000-01 are estimated to decline by 11% from 1999-00 levels; help desk and monthly terminal maintenance costs are estimated to decline by 8%, and the cost of supply orders (paper, Valeron, printing kits) are estimated to decrease by 19%. Together, this would represent a cost savings of \$362,000 in 2000-01 in these areas. In addition, DNR will begin selling all licenses currently available through ALIS over the internet by May, 2001. Individuals purchasing licenses online would print their own receipts, generating further savings.

12. Table 2 shows the actual costs of ALIS for the previous two years and estimated expenditures for 2000-01 and 2001-02.

TABLE 2

**Automated License Issuance System Costs
(\$ in thousands)**

	Actual		Estimated	
	1998-99	1999-00	2000-01	2001-02
Terminal Master Lease and Installation	\$182.0	\$696.7	\$668.6	\$668.6
Transaction Charges	375.5	1,026.5	912.5	912.5
License Printing Supplies	565.0	1,148.6	925.0	925.0
Maintenance, Training & Support	149.2	398.3	398.3	398.3
Postage	363.4	363.4	363.4	363.4
Monthly PC Maintenance Fee	55.6	171.4	157.2	157.2
Data Processing	188.9	212.7	209.2	209.2
BEITA Chargebacks	156.4	146.6	142.6	142.6
Record Updates	0.0	0.0	23.4	23.4
Help Desk	26.1	80.3	73.7	73.7
Planned Change Orders	0	87.6	171.4	50.0
Other Materials, Marketing and Supplies	227.2	98.5	98.5	98.5
LTE Salaries	79.8	79.8	79.8	79.8
Forms	170.6	246.5	170.6	170.6
Banking Fees	4.5	5.3	5.3	5.3
Systems Development	777.4	242.0	372.4	92.4
Bonding for County Clerks	2.9	0.0	0.0	0.0
Total	\$3,324.5	\$5,004.2	\$4,771.9	\$4,370.5
Expenditure Authority	<u>2,433.2</u>	<u>3,292.3</u>	<u>3,248.9</u>	<u>3,248.9*</u>
SB 55				983.0
Difference	-\$891.3	-\$1,711.9	-\$1,523.0	-\$138.6

*Base expenditure authority.

13. The major increases in costs that would be funded under the bill include transaction charges, systems maintenance, master lease costs for license terminals and training and support costs. Under the bill, \$4,231,900 would be available annually. As shown in Table 2, while the estimated expenditures in 2001-02 would result in a cost overrun of \$138,600 for ALIS, the Department indicates that it expects cost-saving measures being implemented to offset this shortfall.

14. The Department indicates that there is some uncertainty regarding ALIS costs over the 2001-03 biennium due to the rebidding of the system's contract. The Department's current contract with Central Trust Bank is scheduled to expire in the fall of 2002. The master lease on

ALIS terminals is also scheduled to expire in September 2002, meaning DNR would own the equipment and no further payments on licensing units would be required. The Department has indicated that it intends to negotiate for a new ALIS terminal master lease as part of its contract bidding process, as DNR believes that the current equipment would not last through another three-year service contract, and anticipates adding additional terminal upgrades to increase efficiency. The terminals that DNR currently uses are not compatible with internet technology. This requires change orders to be executed by downloading software onto each unit. Use of a system with web-compatible terminals would reduce change order costs by eliminating this process. One alternative, given the uncertainty of costs associated with the contract rebidding process, would be to provide additional funds under the bill for ALIS operations in 2001-02 but not for 2002-03. This would require DNR to submit a request to the Joint Committee on Finance under s.13.10 detailing costs associated with operations under the new contract in time to receive funding for 2002-03. The Committee could then consider the request for funding in 2002-03 based on the new contract.

15. Licensing staff indicate that without additional funding, the continued operation of the ALIS system would be compromised. Funding would most likely continue to be reallocated from a variety of administrative and fish and wildlife programs. Funding may also be directed away from field service operations, such as fisheries management, wildlife management, and law enforcement activities.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$983,000 SEG annually from the fish and wildlife account of the conservation fund to continue funding for the operation of the Automated License Issuance System (ALIS), including \$30,000 annually to contract for a professional evaluation of the system and planning associated with the rebidding of the ALIS contract in 2002.

<u>Alternative 1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$1,966,000
<i>[Change to Bill]</i>	<i>-\$0</i>

2. Approve \$983,000, including \$30,000 to contract for a professional evaluation of the system and planning associated with the rebidding of the ALIS contract in 2001-02. (DNR would submit a request to the Joint Committee on Finance under s.13.10 for a 2002-03 funding adjustment after the rebidding process has been completed and contract costs for the ALIS system are known.)

<u>Alternative 2</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$983,000
<i>[Change to Bill]</i>	<i>-\$983,000</i>

3. Maintain current law.

Alternative 3	SEG
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$1,966,000]

MO# Alt 2

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

nski

AYE 15 NO 1 ABS 0

NATURAL RESOURCES -- FISH, WILDLIFE, & RECREATION

Automated License Issuance System

[LFB Paper #650]

Motion:

Move to delete \$30,000 SEG annually to contract for a professional evaluation of the ALIS system. In addition, direct DNR to work cooperatively with DOA in order to solicit online reverse bids for the re-bidding of the ALIS contract.

Note:

The reverse bid process would require DNR to post specifications for an automated license issuance system online through DOA. Contractors interested in providing the service to DNR would be able to post or view other bids through this service.

[Change to Base: -\$60,000 SEG]

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

AYE 16 NO 0 ABS _____

AGENCY: DNR

PAPER: #651

ISSUE: Forestry & **Law Enforcement** Radio Equipment

RECOMMENDATION: Alternative 1(a) or 1(b)

SUMMARY: Note term "Law Enforcement" in title. They need these resources to effectively enforce state laws. Let's not cut corners here.

BY: Barry

1 (A+B) Gard-3



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #651

Forestry and Law Enforcement Radio Equipment (DNR -- Fish, Wildlife and Recreation and Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 474, #15; Page 479, #3]

CURRENT LAW

The Department of Natural Resources is provided an account within the conservation fund for intradepartmental moneys received from the car, truck, airplane, heavy equipment, information technology, and radio pools for the operation, replacement, maintenance and purchase of vehicles, equipment, radio services, and information technology.

GOVERNOR

Provide \$108,000 in 2001-02 (\$12,100 FED, \$4,000 PR, and \$91,900 SEG from the conservation fund) and \$215,800 in 2002-03 (\$24,100 FED, \$8,000 PR, and \$183,700 SEG from the conservation fund) to pay for a master lease program to replace 209 mobile radios and 209 portable radios for the conservation warden force. Segregated funds would be provided 89.8% from the fish and wildlife account, 9.5% from the boating account, and 0.7% from the ATV account.

In addition, provide \$467,500 in 2001-02 and \$393,500 in 2002-03 from the forestry account of the conservation fund to update forest fire communications and to purchase fire suppression capital equipment.

DISCUSSION POINTS

1. The main revenues to DNR's radio pool account are a \$160 per year, per radio fee assessed to bureaus within the Department. Current fees are set by DNR to cover maintenance costs

only; bureaus are required to fund purchases of new equipment with biennial budget requests. Prior to 1999, the fee varied from \$260 to \$530 per radio, depending on the type of equipment used. Decreasing the cost per radio reduced revenues by one-half and generated savings of approximately \$229,100 to the various bureaus beginning in 1999, when the change was made. Savings by program due to this change are detailed in the following table.

1998-99 Fee Decrease: Savings by Bureau

<u>Bureau</u>	<u>1997-98 Charges</u>	<u>Number of Radios</u>	<u>1998-99 Savings</u>
Administrative & Field Services	\$14,677	59	\$5,237
Endangered Resources	860	2	540
Fisheries Management & Habitat Protection	3,140	16	580
Forestry	146,428	506	65,468
Law Enforcement	143,830	380	83,030
Facilities & Lands	3,220	12	1,300
Lands Program Management	260	1	100
Parks & Recreation	85,830	266	43,270
Remediation & Redevelopment	2,360	9	920
Southern Forests	21,810	74	9,970
Wildlife Management	42,280	150	18,280
Watershed Management	430	0*	430
Total	\$465,125		\$229,125

*Liquidated radios.

2. The bill would allow for the replacement of all law enforcement radio equipment over a two-year period. Total costs to replace both mobile and portable radio units for 209 wardens are estimated at approximately \$558,300, based on figures available in May of 2000. These costs, plus interest, would be spread across a three-year master lease from 2002 through 2004.

3. In addition, \$393,500 annually from the forestry account would be used for the purchase of radio system components, including replacement radios with expanded channel capacity, portable and fixed location repeaters, and unicom radios for work associated with forest fire suppression. (One-time funding of \$74,000 is also provided for a portable automated weather station, five enclosed trailers to store and transport electronic communications equipment to command posts during fires, funds to equip fire control tractors with strobe lights, and to replace the milling machine at the LeMay Forestry Center in Tomahawk.)

4. While the pool accounts are all contained within a single appropriation, DNR tracks three pools separately: (a) a vehicle and heavy equipment pool; (b) an airplane pool; and (c) a radio pool. Under 1997 Act 27, DNR received the authority to use funds from the pool account for information technology expenditures. The Department used \$1.4 million of vehicle pool funds for

this purpose. At the same time, DNR determined that because changing technology made it difficult to estimate radio replacement costs (and therefore, assess a suitable chargeback rate), that the radio pool would only provide maintenance and support. Subsequent purchases of radio equipment would need to be made through a biennial budget request. As a result of this change in DNR policy, rates charged per radio to support the pool were reduced. The Department directed bureaus to use these "radio charge savings" to assist in funding the information technology purchases. In total, \$229,100 that would have otherwise been paid into the radio pool was used for information technology purchases in 1998-99. Beginning in 1999-00, savings from the radio pool charges were available for general expenditure by the bureaus.

5. In 1998, DNR and DOT jointly entered into a seven-year master lease to purchase high speed frequency (VHF) sorting technology for a pilot site. This pilot project will test a proposed new public safety radio system in a corridor running between Janesville and Black River Falls. The cost of this radio trunking program was split evenly between the two departments. Both contributed an initial payment of \$267,900, and paid \$177,860 in fiscal year 2000. Master lease payments in subsequent years (including 2000-01) are \$167,100 annually, with total expenditures of \$1,448,500 each over the seven years. To date, DNR has paid the cost of the master lease out of the radio pool account. The radio pool had an account balance of \$1.5 million as of July 1, 1998, and is estimated at \$0.4 million on July 1, 2001.

6. The Department estimates that the radio pool balance will be sufficient to support the continued payment of the VHF radio trunking master lease through June 30, 2003. At current pool rates, continued funding of this project may require an appropriation as part of the 2003-05 biennial budget.

7. Previous to DNR's decision to reduce chargeback rates to bureaus, radio equipment replacement was funded from the pool. The decision to discontinue this practice, and to use funds paid for radio replacement for information technology purchases or to effectively increase available bureau budgets could be viewed as counter to the legislative intent that established the pool program to include radio replacement. If the funding in the bill is not provided, the Department could again charge suitable chargeback rates to support the purchase of radio equipment from the pool account.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide:

(a) \$108,000 in 2001-02 (\$12,100 FED, \$4,000 PR, and \$91,900 SEG from the conservation fund) and \$215,800 in 2002-03 (\$24,100 FED, \$8,000 PR, and \$183,700 SEG from the conservation fund) to pay for a master lease program to replace 209 mobile radios and 209 portable radios for the conservation warden force.

(b) \$467,500 in 2001-02 and \$393,500 in 2002-03 from the forestry account of the conservation fund to update forest fire communications equipment. Of this funding, \$393,500 annually would be used for the purchase of radio equipment.

<u>Alternative 1</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	\$36,200	\$12,000	\$1,136,600	\$1,184,800
[Change to Bill]	\$0	\$0	\$0	\$0]

2. Provide \$74,000 in forestry SEG in 2001-02 for a portable weather station, trailers, fire control tractor lights, and a milling machine. (DNR could again charge suitable radio rates to support the purchase of radio equipment from the pool account.)

<u>Alternative 2</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	\$0	\$0	\$74,000	\$74,000
[Change to Bill]	-\$36,200	-\$12,000	-\$1,062,600	-\$1,110,800]

3. Maintain current law. (DNR could charge suitable rates to support the purchase of equipment from the pool accounts.)

<u>Alternative 3</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	\$0	\$0	\$0	\$0
[Change to Bill]	-\$36,200	-\$12,000	-\$1,136,600	-\$1,184,800]

MO#

1 a + b

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

otynski

AYE 8 NO 8 ABS _____

AGENCY: DNR

PAPER: #652

ISSUE: Car-Killed Deer

RECOMMENDATION: Alternative 3(b)

SUMMARY: No strong feeling here, but just saw a newspaper article that said roadside animal pickup business was way down this spring - maybe some of those savings could be used next year.

BY: Barry

Shibiki - 10/2
Decker -
more motion - split \$ funds
between 3 funds
(see GPR)



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #652

Car-Killed Deer (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 475, #18]

CURRENT LAW

The Department of Natural Resources is responsible for contracting for the removal of car-killed deer from the roadside. Under statute, this appropriation is split funded by GPR and SEG from the fish and wildlife account of the conservation fund. The GPR appropriation was created in 1997; prior to that, transportation fund SEG had provided 50% of the funding. Base funding of \$629,200 annually is available for this purpose.

GOVERNOR

Provide \$32,500 SEG in 2001-02 and \$65,000 SEG in 2002-03 from the fish and wildlife account of the conservation fund for the costs of contracting for the removal of car-killed deer.

DISCUSSION POINTS

1. Contracts for removal of car-killed deer are managed at the county level. Some contracts provide a flat fee per year for deer-removal services, others reimburse on a per-carcass basis. Contracting for removal at a flat fee carries the benefit of predictable annual costs; however, it provides little leverage against contractors who may not perform as efficiently as desired. Reimbursing contractors on a per-deer basis ensures that deer will be disposed of, but it is more difficult to budget the annual contract costs. Motorists involved in collisions with deer may also request a free permit from law enforcement officials, enabling them to keep the deer. Since 1995, the percentage of car-killed deer removed by motorists with free permits has declined from 42% to 28%.

2. Under the bill car-killed deer removal is funded at \$314,600 GPR and \$347,100 SEG in 2001-02 and \$314,600 GPR and \$379,600 SEG in 2002-03. However, the statutes specify that each appropriation is to "pay 50% of the costs of the removal and disposal of car-killed deer from the highways". Therefore, any SEG appropriations not matched by GPR would lapse to the conservation fund at the end of each fiscal year.

3. Prior to 1997, funding for the removal of car-killed deer from the roadside was split evenly between transportation fund SEG and fish and wildlife account SEG. This 50/50 split was instituted in part to recognize that car-killed deer removal from Wisconsin highways has both a highway maintenance and a wildlife management component. The state's large deer herd combined with increasing use of state roads has resulted in increased insurance costs, significant property damage and safety concerns from car-deer collisions. In order to address funding concerns in the Wisconsin Department of Transportation, the 1997-99 biennial budget act converted to GPR most appropriations from the segregated transportation fund (revenues derived primarily from the state motor fuel tax and motor vehicle registrations) that were made to agencies other than DOT (including the DNR car-killed deer appropriation, nonpoint account automobile title transfer fee revenues and the maintenance of state park and forest roads).

4. The funding provided in the bill would provide for an approximately 5% annual increase in deer removal costs. However, as shown in the following table, over the past three years contract costs have increased by an average of 10% annually. The "other" category refers to removal efforts by DNR staff statewide; currently, these efforts are not being tracked by law enforcement staff. Contract costs exceeded DNR expenditure authority in 1996 (by \$6,400), 1997 (by \$17,900), and in 2000 (by \$5,300). In these cases, DNR used additional funds from the warden's supplies allocation of the fish and wildlife account to cover the cost of contracting for deer removal.

Car-Killed Deer Removal

<u>Fiscal Year</u>	<u>Total Car-Killed Deer</u>	<u>Free Permits</u>	<u>Contractor Pickup</u>	<u>Other</u>	<u>Costs</u>	<u>% Increase</u>
1995	46,443	19,730	26,488	225	\$343,910	
1996	46,395	17,095	29,075	225	391,439	13.8%
1997	44,210	16,001	28,018	191	437,938	11.9
1998	41,829	13,923	27,906	0	462,867	5.7
1999	44,897	13,419	31,478	0	510,875	10.4
2000	47,555	13,130	34,425	0	577,322	13.0

5. The Committee could consider several alternatives. The 50% statutory limit on state conservation fund expenditures could be removed allowing the expenditure of the amount appropriated in the bill. If no additional funds were provided, DNR would likely have to pay cost-overruns from warden supplies funding. Alternatively, DNR wardens, municipal highway maintenance or local law enforcement officials could be called upon to remove the deer, or the deer

could potentially be left uncollected. To fully fund deer removal contracts (assuming a cost increase of 10% annually), an additional \$32,500 would be required in 2001-02 and \$65,000 in 2002-03 over what is provided under the bill. The 50% fish and wildlife limit could be retained and matching funds of \$32,500 in 2001-02 and \$65,000 in 2002-03 could be provided either from GPR (as under current law) or from transportation fund SEG. In addition other funding sources could be considered. Forest acreage and forest habitat in the state have been increasing and may have some effect on both deer populations and the likelihood of collisions with vehicles. Therefore, the forestry account of the conservation fund may be an appropriate source of funding for a portion of car-killed deer costs. Further, areas of production agriculture may also attract deer and other wildlife and increase the carrying capacity of the surrounding habitat. Therefore, the agricultural chemical management fund (pesticide and fertilizer product and licensing fees) may be viewed by some as an appropriate source of revenue to pay a portion of car-killed deer costs.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide an additional \$32,500 SEG in 2001-02 and \$65,000 SEG in 2002-03 from the fish and wildlife account of the conservation fund for the costs of contracting for the removal of car-killed deer. In addition, delete the requirement that funding be split evenly between the SEG and GPR appropriations. This would fund an increase in costs of 5% annually.

<u>Alternative 1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$97,000
[Change to Bill]	\$0]

2. Approve the Governor's recommendation to provide an additional \$32,500 SEG in 2001-02 and \$65,000 SEG in 2002-03 from the fish and wildlife account. Further, provide \$32,500 GPR in 2001-02 and \$65,000 GPR in 2002-03 to satisfy the statutorily required 50% match. This would fund an increase in costs of 10% annually.

<u>Alternative 2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	\$97,500	\$97,500	\$195,000
[Change to Bill]	\$97,500	\$0	\$97,500]

3. Approve the Governor's recommendation. In addition, modify the statutory requirement that the car killed deer appropriation be split funded evenly from fish and wildlife SEG and GPR to instead require that the appropriation be funded 50% from fish and wildlife account SEG, and 50% from some combination of GPR and one of the following and provide \$32,500 in 2001-02 and \$65,000 from one of the following sources:

a. Transportation fund SEG

- b. Forestry account SEG
- c. Agricultural chemical management fund SEG

Alternative 3	SEG
2001-03 FUNDING (Change to Base)	\$195,000
[Change to Bill]	\$97,500]

4. Maintain current law (DNR would need to fund increased costs from base resources, ~~or, potentially, shift the costs to local officials.~~)

Alternative 4	SEG
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	-\$97,500]

MO# Alt 1

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A
AYE	<u>8</u>	NO	<u>8</u> ABS

MO# Alt 4 (see modification)

Hotynski

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
COGGS	Y	N	A
AYE	<u>8</u>	NO	<u>8</u> ABS

NATURAL RESOURCES – FISH, WILDLIFE, & RECREATION

Car Killed Deer

Motion:

Move to allow passers-by to request and receive a free permit to remove car-killed deer from the roadside if the operator of the vehicle that struck the deer refuses to take possession or has left the scene.

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

AYE 15 NO 1 ABS

NATURAL RESOURCES -- FISH, WILDLIFE, & RECREATION

Car Killed Deer

[LFB Paper #652]

Motion:

Move to provide \$32,500 SEG in 2001-02 and \$65,000 SEG in 2002-03 from the fish and wildlife account for removal of car killed deer. In addition, delete the requirement that funding be split evenly between the SEG and GPR appropriations. Further, delete \$314,600 GPR annually from the car-killed deer appropriation. Instead, provide \$104,900 annually from each of the following sources: transportation fund SEG, forestry account SEG, and agrichemical management fund SEG.

Note:

This change would fund the car-killed deer program at the level recommended by the Governor under the bill.

[Change to Base: \$726,900 SEG and -\$629,200 GPR]

MO# _____

BURKE	Y	<u>N</u>	A
DECKER	Y	<u>N</u>	A
MOORE	<u>Y</u>	<u>N</u>	A
SHIBILSKI	Y	<u>N</u>	A
PLACHE	Y	<u>N</u>	A
WIRCH	Y	<u>N</u>	A
DARLING	<u>Y</u>	<u>N</u>	A
WELCH	Y	<u>N</u>	A
GARD	Y	<u>N</u>	A
KAUFERT	Y	<u>N</u>	A
ALBERS	Y	<u>N</u>	A
DUFF	Y	<u>N</u>	A
WARD	Y	<u>N</u>	A
HUEBSCH	Y	<u>N</u>	A
HUBER	Y	<u>N</u>	A
COGGS	<u>Y</u>	<u>N</u>	A

AYE 3 NO 13 ABS _____



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #653

Fuel Tax Transfer Reestimates (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 458, #6 and 477, #23]

CURRENT LAW

Annually, motor fuel tax revenue is transferred to the water resources, snowmobile, and all-terrain vehicle (ATV) accounts. The amounts transferred are based on the number of boats, snowmobiles, and ATVs registered and the motor fuel tax assessed on statutorily-specified dates.

MODIFICATION

Provide for the following changes to the fuel tax transfers to reflect reestimates based on recent data. In addition, increase the level of ATV trail aids provided in the bill by \$166,000 SEG in 2001-02 and \$281,500 SEG in 2002-03 to reflect the reestimated revenues.

	<u>2001-02</u>	<u>2002-03</u>
Water Resources		
Bill	\$10,756,200	\$11,285,200
Snowmobile		
Bill	\$4,228,400	\$4,436,900
Change to Bill	<u>269,300</u>	<u>444,800</u>
Total Reestimate	\$4,497,700	\$4,881,700
ATV		
Bill	\$788,300	\$827,200
Change to Bill	<u>166,000</u>	<u>281,500</u>
Total Reestimate	\$954,300	\$1,108,700
Total Change to Bill	\$435,300	\$726,300

EXPLANATION

Motorboat: No change to the Governor's recommendation is necessary.

Snowmobile: The total amount of motor fuel tax revenue to be transferred to the snowmobile account is reestimated to be \$4,497,700 in 2001-02 and \$4,881,700 in 2002-03. The reestimates are based on: (a) the actual motor fuel tax rate of 26.4¢ per gallon on February 28, 2001 and an estimated rate of 27.3¢ per gallon on February 28, 2002; and (b) the actual 243,382 snowmobiles registered on February 28, 2001, and an estimated 255,454 snowmobiles registered on February 28, 2002.

ATV: The total amount of motor fuel tax revenue to be transferred to the ATV account is reestimated to be \$954,300 in 2001-02 and \$1,108,700 in 2002-03. The reestimates are based on: (a) the actual motor fuel tax rate of 26.4¢ per gallon on February 28, 2001 and an estimated rate of 27.3¢ per gallon on February 28, 2002; and (b) the actual 144,597 ATVs registered on February 28, 2001, and an estimated 162,441 ATVs registered on February 28, 2002. Further, the amount of ATV gas tax revenue transferred is made available for ATV trail aids.

Modification	SEG
2001-03 FUNDING (Change to Base)	\$4,080,200
[Change to Bill]	\$1,609,100]

MO# modification

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

a Hotynski

AYE 10 NO 0 ABS 0

Motorboat Gas Tax Transfer Formula Change - Motion

(For Wis Assoc of Lakes & River Alliance)

Every year money is transferred according to a statutorily prescribed formula from the Transportation Fund to the Water Resources Account. The money transferred represents an estimate of the annual motor fuel tax revenues attributable to fuel used by motorboats.

Your motion would increase the number of gallons used in the formula from 50 to 60. The additional revenue would go to increase funding for restoration of shoreline habitat and augment DNR's appropriation for wetland mitigation.

The current formula takes the number of registered motorboats times the gas tax times 50 gallons times a 40% multiplier to account for out-of-state boats.

The formula hasn't been increased in many years, larger boats are more prevalent now, and boat motors have been increasing in size. Clearly the lakes and rivers are getting more use today than they were 10 or 20 years ago. It's time to tweak the formula a little bit to account for these changes.

Only if he wants to do this

AGENCY: DNR

PAPER: #654

ISSUE: Snowmobile Registration Fees & Trail Aids

RECOMMENDATION: (see summary)

SUMMARY: No opinion. See what Shibilski & Decker want.

BY: Barry

A-2)
B-1) per Decker

Coard OK



Legislative Fiscal Bureau

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May 15, 2001

Joint Committee on Finance

Paper #654

Snowmobile Registration Fees and Trail Aids (DNR -- Fish, Wildlife and Recreation)

[LFB 2001-03 Budget Summary: Page 475, #19 & #20]

CURRENT LAW

The Department of Natural Resources distributes aids to participating counties for the maintenance, development and acquisition of land to support 16,300 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds maintenance and development of snowmobile trails in state parks and forests.

County expenditures eligible for state aid (listed in priority order) are as follows: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year; (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or DNR is eligible for supplemental trail aid payments if actual eligible costs exceed the maximum of \$250 and, of the costs incurred, actual trail grooming costs exceed \$130 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula (almost \$1.2 million for 2000-01). If the supplemental aid payable to counties exceeds funding available from the multiplier, the Department may either prorate payments or request that the Joint Committee on Finance take action to provide additional funding from the snowmobile account for supplemental payments.

The major source of funding for the snowmobile account is the snowmobile fuel tax revenue transferred to the account. An appropriation is made annually, which equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of February of the previous

fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.4. For 2000-01, \$4,039,400 is available for trail aids under the formula.

The next largest revenue source for the account is registration fees. A fee of \$20 is assessed for each snowmobile registered for public use in the state. Local governments pay \$5 and commercial users pay \$60 for up to three snowmobiles and \$20 for each machine over three. The registration is valid for two years. Snowmobiles registered in other states or countries need not be registered in Wisconsin if they are in the state for a period of less than 15 consecutive days. These registration fees brought in almost \$2.3 million to the snowmobile account in 1999-00.

A nonresident snowmobile trail use sticker requirement was created in 1997 Act 27 as a new source of revenue to the snowmobile account. Snowmobiles not registered in Wisconsin are required to display an annual trail use sticker to use public snowmobile corridors. The fee for the annual sticker, originally set at \$10, was increased to \$13 in 1997 Act 237. Approximately 47,500 stickers were sold in 1999-00, generating almost \$600,000.

GOVERNOR

Increase the cost of a two-year snowmobile registration by the amount shown in the following table. In addition, increase the annual nonresident trail sticker by \$5 and require that \$15 of each fee collected be credited to an appropriation to provide supplemental funding for the maintenance of snowmobile trails (estimated at \$459,000 annually).

	<u>Current Fee</u>	<u>Bill</u>
Snowmobile Registration (valid for 2 years)	\$20	\$30
Annual Non-resident Trail Use Sticker	13	18
Commercial Snowmobile Registration	60	90
Additional Reflector Plate for Commercially Registered Snowmobiles	20	30

Further, provide \$1,740,600 SEG in 2001-02 and \$2,049,100 SEG in 2002-03 from the snowmobile account for increased local snowmobile trail aids.

DISCUSSION POINTS

1. The \$20 two-year registration fee for snowmobiles was last increased in 1986. It is unlikely that a 50% registration fee increase would reduce snowmobile users' participation, given their investment in snowmobile equipment. In addition, some have expressed support for an increase in registration fees of up to double the current amount in order to increase funding for trail aids. Snowmobile registrations are valid for two years beginning on July 1 prior to the date of the application if the registration is made prior to April 1, and beginning the July 1 after the registration

if done between April 1 and June 30. The bill would implement the registration fee increase on the effective date of the budget. However, as snowmobile registration renewal notices are not mailed until September, DNR has stated that implementing the fee increase on the effective date of the budget would be manageable (based on the Governor signing the budget Act before the end of August). If the passage of the budget were delayed until September, DNR may be required to undertake a second mailing for some renewals to collect the increased fee.

2. Due to an error that double-counted certain registration revenue during the development of the executive budget, spending for basic trail aids was appropriated at a higher level than the current balance of the snowmobile account is capable of supporting. Therefore, DNR would have to reduce expenditures by approximately \$750,000 to maintain a positive balance in the account. Alternatively, decreasing the appropriation for county snowmobile trail aids from snowmobile registrations by \$250,000 in 2001-02 and \$500,000 in 2002-03 from the amount allocated in the Governor's budget would still provide a net increase in snowmobile trail aids, as shown in the table below, and would allow the snowmobile account to remain in balance. The administration had provided a 29% increase over the biennium for local snowmobile trail aids, while the alternative based on the reestimate would provide another \$650,000 for snowmobile trail aids, representing a 34% increase (primarily due to increased snowmobile gas tax revenues under the reestimate). Revenue from the gas tax transfer to the snowmobile account is estimated to be \$4,497,700 in 2001-02 and \$4,881,700 in 2002-03, an increase to the bill of \$714,100 over the biennium.

	<u>Actual</u> <u>2000-01</u>	<u>Governor</u> <u>2001-02</u>	<u>Alternative</u> <u>2001-02</u>	<u>Governor</u> <u>2002-03</u>	<u>Alternative</u> <u>2002-03</u>
Basic Trail Aids	\$5,319,100	\$6,546,700	\$6,489,000	\$6,795,600	\$6,613,300
Supplemental Aids	<u>1,154,100</u>	<u>1,667,100</u>	<u>2,072,700</u>	<u>1,726,700</u>	<u>2,213,900</u>
Total Trail Aids	\$6,473,200	\$8,213,800	\$8,561,700	\$8,522,300	\$8,827,200

3. The following table provides information on the total amount requested for supplemental snowmobile aids, the amount paid by the Department and the proration level of payments. Supplemental aids for a given snowmobile season are paid in the following fiscal year. Currently supplemental aids are primarily funded through a 40% multiplier factor in the snowmobile gas tax revenue formula. The 40% multiplier is expected to generate \$1,285,100 in 2001-02 and \$1,394,800 in 2002-03 for supplemental trail aids.

Supplemental Snowmobile Trail Maintenance Payments

<u>Snowmobile Season</u>	<u>Total Request</u>	<u>Total Payment</u>	<u>Percent of Request Paid</u>
1990-91	\$351,800	\$351,800	100.0%
1991-92	923,000	701,500	76.0
1992-93	983,900	724,600	73.6
1993-94	889,800	838,400	94.2
1994-95	477,700	477,700	100.0
1995-96	1,925,500	1,116,200	58.0*
1996-97	2,130,000	1,642,300	77.1*
1997-98	731,000	731,000	100.0
1998-99	1,202,800	1,202,800	100.0*
1999-00	1,514,100	1,514,100	100.0*

* Payments for these years were supplemented by the Joint Committee on Finance.

4. DNR has requested, and the Joint Committee on Finance has granted, an increase to supplemental trail aid payments in four of the last five years. Supplemental aid requests for 1999-00 averaged \$175 per mile (in addition to the \$250 per mile basic maintenance payment), and varied between \$17 per mile in Eau Claire County to \$373 per mile in Vilas County. The total request for supplemental funding from counties and state properties was \$1,514,100 for the 1999-00 snowmobile season (state fiscal year 2000-01). The 40% multiplier from the snowmobile gas tax transfer allocated for supplemental trail aids generated \$1,154,100, which would have resulted in a 78% proration. However, the Joint Committee on Finance approved DNR's request to transfer \$360,000 from basic trail aids to fund supplemental trail aids requests in full.

5. Under the bill, \$15 of each nonresident trail sticker would be designated for supplemental trail aids (estimated by the administration at \$459,000 annually). If the designated funds were not required for supplemental aid, DNR could use the balance for additional basic trail aids payments. Based on a reestimate of revenue from non-resident trail passes \$787,600 in 2001-02 and \$819,100 in 2002-03 would be expected to be available for supplemental trail aids under the bill (in addition to the 40% multiplier revenues). In total, \$2,072,700 in 2001-02 and \$2,213,900 in 2002-03 would be provided for supplemental trail aids under the bill.

6. It may be argued that it is reasonable for counties to potentially assume a portion of the cost of trail maintenance, in recognition of the increased commerce that hosting snowmobilers may bring to the local economy. Automatically increasing funding for supplemental trail aids decreases the likelihood of this occurring. Under the current system, DNR and the Joint Committee on Finance have some discretion over the rate of reimbursement for supplemental trail aids if total requests exceed funds available from the 40% multiplier. From this perspective, earmarking \$15 of every \$18 generated by the sale of non-resident trail pass stickers may not be desirable. If, instead,

the money were allocated to general trail aids, funds would be available for a variety of priorities, and could still be used for supplemental trail aids at the discretion of DNR and the Joint Committee on Finance. Therefore an alternative would be to maintain the current system, and instead of earmarking \$15 of each non-resident trail sticker for supplemental funding, allow DNR to continue to request that Joint Finance take action to provide additional funding from the trail aids appropriation for extraordinary supplemental payments as necessary.

7. However, one of the priorities of the Snowmobile Council has been to maximize funding available for supplemental trail aids. They cite the high costs of maintaining snowmobile trails in winters with heavy snowfall, the statewide benefits of increased snowmobile related tourism and the time donated by members of local snowmobile clubs to repair and maintain trails. Under the bill, the majority of the revenue from the non-resident trail pass would automatically be provided for supplemental aids, with provisions to allow that funding be used for other trail aid purposes if the funding is not needed for supplemental aids in any given year. Monies remaining in the supplemental snowmobile trail aids appropriation after supplemental trail aid payments were made to counties could be used for basic trail aids and related costs, including: (a) trail maintenance, rehabilitation, or development; (b) reconstruction or rehabilitation to improve bridges on existing approved trails; (c) signing of snowmobile routes; and (d) state snowmobile trails and areas.

ALTERNATIVES TO BASE

A. Registration Fees and Trail Aids

1. Approve the Governor's recommendation to increase the cost of a two-year snowmobile registration to \$30 (or \$90 for a commercial registration, with additional plates also increasing to \$30). In addition, increase the annual nonresident trail sticker by \$5 (to \$18). Further, approve the Governor's recommendation to increase trail aids by \$1,740,600 in 2001-02 and by \$2,049,100 in 2002-03 for local snowmobile trail aids.

<u>Alternative A1</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$3,789,700
[Change to Bill]	\$0
2001-03 REVENUE (Change to Base)	\$2,818,000
[Change to Bill]	\$0

2. Approve the Governor's recommendation, as reestimated, and provide \$2,088,500 in 2001-02 and \$2,354,000 in 2002-03 for local snowmobile trail aids.

<u>Alternative A2</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$4,442,500
[Change to Bill]	\$652,800
2001-03 REVENUE (Change to Base)	\$2,745,900
[Change to Bill]	-\$72,100

3. Take no action. (Registration fees would remain at current law levels and DNR would be required to reduce snowmobile account expenditures accordingly.)

<u>Alternative A3</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$1,685,800
[Change to Bill]	- \$2,103,900]
2001-03 REVENUE (Change to Base)	\$0
[Change to Bill]	- \$2,818,000]

B. Supplemental Allocation

1. Approve the Governor's recommendation to require that \$15 of each fee collected for the sale of non-resident trail passes be credited to an appropriation to first provide supplemental funding for the maintenance of snowmobile trails that exceeds \$250 per mile (estimated at \$787,600 in 2001-02 and \$819,100 in 2002-03). If funding remained after supplemental payments were made it would be available for basic trail aids.

2. Specify that \$15 of each fee collected from sales of non-resident trail pass stickers be allocated first to general trail aids. (Additional funding of supplemental trail aids could continue to be addressed by DNR through requests to the Joint Committee on Finance, as necessary.)

3. Provide \$787,600 in 2001-02 and \$819,100 in 2002-03 from estimated non-resident snowmobile trail stickers to be used for one of the following purposes.

- (a) Basic trail aids.
- (b) Supplemental trail aids.

(This alternative would not earmark a specific portion of sticker revenue for trail aids, but rather would appropriate the amount estimated to be available from the \$15 earmark under the bill.)

4. Maintain current law. (Revenue from the non-resident trail sticker would be deposited to the snowmobile account and would be available for appropriation by the Legislature.)

<u>Alternative B4</u>	<u>SEG</u>
2001-03 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$918,000]

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

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