



WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2011-12

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Natural Resources...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Assembly

Record of Committee Proceedings

Committee on Natural Resources

Clearinghouse Rule 10-127

Relating to administration of stewardship grants.
Submitted by Department of Natural Resources.

September 28, 2011 Referred to Committee on Natural Resources.

October 11, 2011 **PUBLIC HEARING HELD**

Present: (15) Representatives Mursau, Rivard, Williams,
Kleefisch, Nerison, Severson, Steineke,
Tiffany, Stroebel, Litjens, Molepske Jr, Danou,
Clark, Milroy and Hulsey.
Absent: (1) Representative Mason.
Excused: (0) None.

Appearances For

- None.

Appearances Against

- None.

Appearances for Information Only

- Berni Mattsson, Madison — Wisconsin Department of Safety & Professional Services
- John Murray, Madison — Wisconsin Department of Safety & Professional Services

Registrations For

- None.

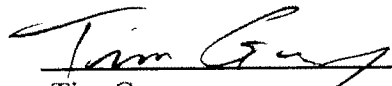
Registrations Against

- None.

Registrations for Information Only

- None.

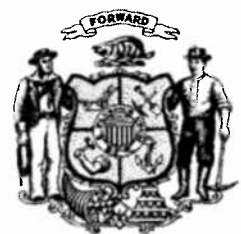
October 28, 2011 No action taken.



Tim Gary
Committee Clerk



WISCONSIN STATE LEGISLATURE



State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711



**Testimony of Mary Rose Teves, Director
DNR Bureau of Community Financial Assistance
Before the Committee on Natural Resources
Regarding Clearinghouse Rule 10-127 (Administration of Stewardship Grants)**

October 11, 2011

Good afternoon. I am Mary Rose Teves, Director of the Bureau of Community Financial Assistance at the Department of Natural Resources. I am here today to testify on Clearinghouse Rule 10-127.

The Knowles-Nelson Stewardship Program was established in 1989 and has been invaluable in insuring Wisconsin's outdoor heritage by preserving special places and creating recreational opportunities for citizens and visitors alike. The Program was reauthorized in October 2007 for another decade. The Program has a budget of \$60 million each year. Part of that money is used by the Department to acquire and develop properties. The rest of the money is disbursed as cost-sharing grants to local governments, nonprofit conservation organizations, and Friends groups. Chapter NR 51 is the administrative code that administers the grant portion of the Stewardship Program. This code was last revised in August 2001. Several statutory changes have been made to the Program since then. The many updates made to ch. NR 51 are summarized in the attached table.

Let me highlight a few of those changes:

- Three new subchapters were added to address changes to the program resulting from reauthorization of the Stewardship Program in *2007 Wis. Act 20*.
- As it has been 10 years since ch. NR 51 was last revised, we incorporated existing grant practices into the rule and make grammar, organizational, and other housekeeping changes.
- Over the years we've observed that sellers need a bit more time to conclude transactions, so we've extended the time for escrow closings from 30 days to 45 days (the industry standard).

Thank you for the opportunity to provide the Committee with information on revisions to ch. NR 51. I would be happy to answer questions you may have at this time.

SUMMARY OF CHANGES TO CH. NR 51, GROUPED BY CATEGORY

1. NEW LANGUAGE ADDED DUE TO 2007 WIS. ACT 20.

- a. Developed subchapter for County Forest Grants (s. 23.0953 (2) (a) 1). *Section 168*
- b. Developed subchapter for Grants to Counties when assisting at the request of the DNR (s. 23.0953 (2) (a) 2). *Section 168*
- c. Developed subchapter for Recreational Boating (s. 23.0917 (4j)). *Section 168*
- d. Added language to allow for Nonprofit Conservation Organizations (NCOs) grants up to 75% cost share (s. 23.096 (2m)). This will require NR board review and approval. *Section 26*
- e. Added language regarding ch. NR 52 (s. 23.0916). *Section 39*
- f. Added language regarding required signage (s. 23.09165 (3)). *Section 36*

2. ADMINISTRATIVE DETAILS.

- a. Combined provisions that apply to all grants from throughout the old rule in one place. *Section 22*
- b. Removed redundancies.
- c. Fixed grammatical errors.
- d. Removed items that are no longer relevant, such as the DNR's use of Habitat Restoration Areas.
- e. Updated the list of designated state trails.
- f. Defined terms not previously defined.

3. CODIFYING PAST PRACTICES.

- a. Developed language to encumber the land when Local Units of Governments (LUGs) are given development grants and define requirements of boundaries for development projects. *Section 109*
- b. Defined Wildlife Based Recreation. *Section 60*
- c. Developed language to allow for cost-sharing for up to \$1000 of attorney's fees. *Section 2*
- d. Expanded definition of support facility to include playgrounds. *Sections 13 & 125*
- e. Added language to require that properties used as donated match must be eligible for the same subprogram for which the purchase property is eligible. *Section 22 – NR 51.006(3)(c)*
- f. Removed the allowance for opinions of title, requiring title insurance only. *Section 41*
- g. Added language to enhance the requirements for land management plans for natural area projects. *Section 48*

4. ADDRESSING HISTORICAL ISSUES.

- a. Removed language requiring that Natural Area projects always be funded. *Sections 49 & 51*
- b. Enhanced requirements for NCOs to be eligible for grants. *Section 31*
- c. Added language requiring that transfers of Stewardship properties from NCOs to LUGs must also meet municipality boundary approval requirements. *Section 22 – NR 51.005 (10)*
- d. Added language to require that LUGs grant contracts be recorded. *Sections 10 & 111*
- e. Clarified that partial payments are possible to Friends Groups if grant advances of less than 100% are provided. *Sections 87 & 93 – NR 51.85(6)*

5. NEW POLICIES.

- a. Extend time for escrow closings from 30 days to 45 days. *Section 41 – NR 51.08 (4)(b)*
- b. Extend time for use of residual value to 36 months. *Section 22 – NR 51.006 (3)(d)*
- c. Allow for up to \$1000 of cost-sharing for signage requirements. *Section 22 – NR 51.006(4)*
- d. Increased the required lease length on properties not owned by the sponsor from 20 to 25 years. *Section 108*
- e. Require Natural Resources Board notification of all grants awards that are subject to Joint Finance review. *Section 22 - NR 51.005(12m)*

[end]

County Maintenance Reporting Capability Survey - 2011

Gov. Unit	Commerce* Estimate of POWTS	10 County Estimate of POWTS	11 County Estimate of POWTS	Records on System in 06	Records on System in 08	Records on System in 10	Records on System in 11	11 Est. Years to Complete Inventory	11 Est. Years to Complete Notices	Pre-Wis Fund Notices Sent
Totals	792,157	761,483	772,232	218,361 28.68%	461,136 60.95%	565,564 74.27%	644,301 83.43%	**	***	****

* Original Estimate based on EIS prepared in late '90's and annual permit data.

** 36 of 71 counties and two municipalities in Milw. County are indicating they have completed their inventory. With the exception of two counties (Marathon and Oconto) the rest are reporting they anticipate completing the inventory in one - two years.

*** 24 counties have reported that their maintenance reporting program is complete and operational.

**** 47 counties indicate they are currently sending out maintenance notices to pre-WI Fund system owners.

2010-11 Wisconsin Fund Awards

As you know, the Wisconsin Fund is a program that provides grants to homeowners and small commercial businesses to help offset a portion of the cost for the repair, rehabilitation, or replacement of existing failing Private Onsite Wastewater Treatment Systems (POWTS). Eligibility is based upon several criteria, including household income and age of the structure. County government officials assist interested individuals in determining eligibility and in preparation of grant applications. Statutes limit the state grant share to \$7,000, or 60% of the total replacement cost, whichever is less.

If approved applications exceed available funding, Commerce is required to prioritize funds to counties based on potential environmental harm associated with different types of private sewage system failures. The Department pays the higher risk category one grants (discharge to waters) in full before the lower risk category two grants (discharge to dry surface) are eligible for any funding. If the number of approved applications in either category exceeds the available funding, the grants are prorated. Grants awarded in 2009-10 and 2010-11 are summarized in the table below.

Table 1: Distribution of Grant Applications and Awards

	Eligible Applicants	Application Amount	Prorated Grant Amount	Grant as Percent of Application
2009-2010 Award				
Category 1	645	\$3,167,334	\$2,736,825	100%
Category 2	<u>16</u>	<u>52,150</u>	<u>48,952</u>	100
Total	661	\$3,219,484	\$2,785,777	NA
2010-2011 Award				
Category 1	814	\$3,709,412	\$2,877,949	86%
Category 2	<u>30</u>	<u>86,875</u>	<u>0</u>	
Total	844	\$3,796,287	\$2,877,949	NA

In 2010-11, the average grant award for the 814 category one awards was \$3,536. The distribution of grants in 2010-11 by final grant amount (after proration) is shown in Table 2, below.

Table 2: Distribution of Grants by Grant Amount – 2010-11

Amount Of Grant	Number Of Grants	Amount	Average
\$1-1,000	18	\$11,501	\$639
1,001-2,000	88	143,210	1,627
2,001-3,000	265	671,911	2,536
3,001-4,000	180	646,545	3,592
4,001-5,000	36	164,055	4,557
5,001-6,000	219	1,192,567	5,446
6,001-7,000	<u>8</u>	<u>48,160</u>	<u>6,020</u>
Total	814	\$2,877,949	\$3,536