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Joint Committee on Finance

Paper #454

Eliminate Grants to Nonprofit Conservation Organizations (DNR -- Departmentwide)

[LFB 2015-17 Budget Summary: Page 308, #15]

CURRENT LAW

Under current law, there are several Department of Natural Resources (DNR) grants statutorily directed to non-profit conservation organizations (NCOs) primarily using the segregated conservation fund. These grants have often been provided to NCOs to assist the Department or other NCOs for a variety of conservation-related efforts.

GOVERNOR

Eliminate grants to nonprofit conservation organizations (NCOs) as shown in the following table. In addition, repeal the obsolete reference to the seven annual installments of \$400,000 that were made from 2005-06 through 2011-12 from the recreational boating project aids appropriation to the Fox River Navigational System Authority.

<u>Grant Recipient</u>	<u>Enabling Statute</u>	<u>Awarded 2013-14</u>	<u>Base 2014-15</u>	<u>Governor</u>		<u>Biennial Total</u>	<u>Source</u>
				<u>2015-16</u>	<u>2016-17</u>		
Sporting Heritage	s. 29.605	\$0	\$0*	\$0	\$0	\$0	GPR/unspecified
Great Lakes Timber Professionals Assoc. & Wisconsin County Forests Association	s. 26.105	300,000	300,000*	0	0	0	Forestry SEG
National Off-Highway Vehicle Insurance Services Group (NOHVIS)	s. 23.33(5m)	297,000	297,000	-297,000	-297,000	-594,000	ATV SEG
Wisconsin Lakes	s. 281.69(1r)	200,000	200,000	-200,000	-200,000	-400,000	Water Resources SEG
Great Lakes Timber Professionals Association - Master Loggers	s. 26.39(7)	69,600	148,500	-148,500	-148,500	-297,000	Forestry SEG
Gathering Waters, Inc.	s. 23.0955	138,300	138,300	-138,300	-138,300	-276,600	Water Resources/ Forestry SEG
Natural Resources Foundation	s. 23.0956	84,100	84,100	-84,100	-84,100	-168,200	Water Resources/ Forestry SEG
Urban Forest Protection	s. 23.0957	74,200	74,200	-74,200	-74,200	-148,400	Forestry SEG
Ice Age Trail Alliance	s. 23.295	74,200	74,200	-74,200	-74,200	-148,400	Forestry SEG
River Alliance of Wisconsin	s. 281.72	69,200	69,200	-69,200	-69,200	-138,400	Water Resources SEG
County Forests Association	s. 28.11(5m)	50,000	50,000	-50,000	-50,000	-100,000	Forestry SEG
Wild Rivers Interpretive Center	s. 30.255	22,800	22,800	-22,800	-22,800	-45,600	GPR
DNR Total		\$1,379,400	\$1,758,300	-\$1,158,300	-\$1,158,300	-\$2,316,600	

*The sporting heritage grant is to be from existing funds, and the timber study is one-time funding (\$300,000) in 2014-15 removed as a standard budget adjustment for 2015-17.

DISCUSSION POINTS

1. While not shown in the table above, on April 22, 2015, the Joint Finance Committee adopted the administration's errata to restore \$52,400 forestry SEG annually for 1.0 position for the Northern Great Lakes Visitor Center (Historical Society). Further, on May 5, 2015, the Committee adopted a motion to provide \$200,000 water resources SEG in 2015-16 from the recreational boating aids program to the Southeastern Fox River Commission.

2. Under the bill, the following DNR grants to non-profit conservation organizations (NCOs) would be eliminated.

3. *Sporting Heritage*. Under 2013 Act 20, DNR is required to provide a Wisconsin non-profit organization established in Wisconsin for outdoor education, recruitment, and retention of sportsmen and sportswomen a grant of \$500,000 during the 2013-15 biennium, including providing \$200,000 GPR on a one-time basis in 2013-14, and \$300,000 from an unspecified existing source in 2014-15. Each subsequent biennium (beginning with the 2015-17 biennium), DNR must provide a grant of \$450,000 from an unspecified source, with the recipient required to provide \$150,000 in matching funds. The grant must be utilized to preserve and protect Wisconsin's hunting, fishing, trapping, and shooting traditions.

2013 Act 20 further specified that 2013-15 applications be submitted to DNR within 30 days following the effective date of the act (by August 1, 2013). In addition, it created a committee to review the grant applications consisting of five members, including three members appointed by the chair of the Sporting Heritage Council, and the chairs of the Assembly and Senate committees responsible for natural resources. The Act required the committee to review grant applications for the 2013-15 biennium and submit a report of their recommendations to the DNR Secretary within 50 days following the effective date of the Act (August 21, 2013), and directed the DNR Secretary

to award the grant within 60 days following the effective date of the Act (by August 31, 2013). The advisory committee met on August 29, 2013, and recommended awarding the grant to the only applicant, United Sportsmen of Wisconsin, by a vote of 4 to 1. The DNR Secretary awarded the grant on August 29, 2013. On September 5, 2013, the Governor announced the grant award had been cancelled, following various media reports, including that United Sportsmen had not received non-profit status under the federal tax code. To date, no grant has been awarded. Due in part to concerns with federal law, the Department has indicated they do not have plans for awarding the grant in subsequent biennia were this grant to be restored.

4. *Great Lakes Timber Professionals Association and Wisconsin County Forests Association.* 2013 Act 20 also directs DNR to provide a grant of \$300,000 in fiscal year 2013-14 and \$300,000 in fiscal year 2014-15 in one-time funding from the forestry account of the conservation fund to the Great Lakes Timber Professionals Association (GLTPA) and the Wisconsin County Forests Association (WCFA) for a comprehensive study of DNR forestry practices and forest fire prevention practices. As required under Act 20, the GLTPA and WCFA submitted a plan on how the grant funds would be expended to the Joint Committee on Finance for review on December 27, 2013. The plan was approved through the 14-day passive review process on January 21, 2014. Upon completion of the study, the GLTPA and the WCFA are required to submit a report of the study results to DNR, the Wisconsin Council on Forestry, and the appropriate standing committees of the Legislature. While no funding would be provided in 2015-17 under current law, the requirement that a report be prepared on the results of the study would be repealed under the bill. The administration submitted an errata stating that the reporting requirement was eliminated in error, and that the bill should be corrected to amend the effective date of the repeal of this provision to June 30, 2016, so that the report would be submitted. [Alternative A1 or F5].

5. *National Off-Highway Vehicle Insurance Services Group (NOHVIS).* The all-terrain vehicle (ATV) safety enhancement grant program was created under 2001 Act 16. Available funding is awarded in the form of a grant to a non-profit organization. The statutes require that the organization be a nonstock corporation organized in Wisconsin that promotes the operation of ATVs in a manner that is safe and responsible, that does not harm the environment, and that does not conflict with the laws, rules, and departmental policies that relate to the operation of ATVs. No match is required. Additionally, the interest of the organization must be limited to the recreational operation of ATVs on ATV trails or other areas that are off the highways. The organization also must have a board of directors that has a majority of members who are representatives of ATV clubs. The organization is required to use the grant money to support the ATV safety enhancement program. Each year, the grant has been provided to the National Off-Highway Vehicle Insurance Services Group, Inc. (NOHVIS). While an initial goal of NOHVIS was to provide education regarding ATVs to insurance providers to facilitate insurance for local ATV clubs, according to NOHVIS, this has not been an activity the organization has engaged in, but the name has remained.

6. NOHVIS assists DNR by promoting the operation of ATVs (and utility-terrain vehicles. While UTVs were not included in the initial program, DNR and NOHVIS have integrated UTV safety into all aspects of the program), in a safe and responsible manner, recruiting and training volunteer "trail patrol ambassadors" and ATV/UTV safety instructors, improving relationships with groups that promote recreational ATV and UTV operation and other stakeholder

groups (such as the Department of Tourism, ATV dealers and manufacturers, and local government officials), and providing support to local ATV clubs, and collecting ATV user data. NOHVIS assists the Department of Tourism by providing an outreach program to inform local communities of appropriate ATV uses in their communities and economic benefits that may be gained from promoting tourism to attract ATV operators. NOHVIS volunteers also staff exhibits promoting recreational vehicle safety and helmet use (such as the ATV/UTV village at the annual Outdoor Youth Expo).

7. In partnership with DNR and the Wisconsin ATV/UTV Association (WAVTA), the trail patrol ambassador program consists of a group of trained volunteers who patrol Wisconsin ATV trails. The ambassadors are not law enforcement officers but do report violations to DNR and local law enforcement officials. In addition, the volunteers also watch for riders in distress and contact appropriate emergency services. Patrol ambassadors educate riders on ATV/UTV rules and regulations and ethical riding practices, conduct sign posting and trail clean-up activities, and some of them also teach ATV/UTV safety courses. Currently, NOHVIS indicates there are approximately 850 trail patrol ambassadors (including instructors). DNR indicates that fewer volunteer safety classroom course instructors have been required in recent years as the number of students certified through online courses has increased. In fiscal year 2013-14, 7,714 students received certificates upon successfully completing one of the ATV and UTV safety courses, including 5,502 certified through an online course. The classroom course is offered for a fee of \$10 while two online courses are available for those ages 12 and older for \$24.50 or \$29.95 (DNR retains \$1 per student for online courses). Revenue from ATV/UTV safety course fees is deposited in an appropriation in the ATV account and expenditures are then made from this appropriation to support operation of the ATV/UTV safety education courses (such as the costs of supplies, copying, and instructor mileage). As the number of classroom safety courses has declined, NOHVIS indicates the organization has shifted focus from the classroom courses to the trail patrol ambassador program. Trail ambassador patrols went from approximately 500 hours and approximately 300 miles in 2002 to approximately 7,700 hours and 97,600 hours in 2013.

8. NOHVIS staff indicate the organization also assists local ATV clubs in hosting regional meetings to bring together stakeholder groups which may include DNR, the U.S. Forest Service, state and local government officials, business owners (such as resort owners), the Tavern League, ATV/UTV manufacturers and dealers, and local citizens to discuss ATV and UTV issues. The DNR funds are the sole source of NOHVIS operational funding. Grant funding supports eight part-time staff people including a director, six regional coordinators, and a support staff person. Fiscal year 2013-14 grant expenses included approximately \$169,000 staff salary and benefits, approximately \$49,000 in travel expenses, and approximately \$79,000 in other costs including office rent, conferences, meetings and convention costs, taxes, accounting, and supplies. According to NOHVIS, without DNR support most of the organization's activities would be eliminated. However, they indicate that the organization works closely with WATVA, and may be able to continue some volunteer coordination efforts through WATVA. Prior to the DNR funding, NOHVIS indicates that an attempt was made to organize volunteers for trail patrol activities but that the effort failed due to lack of oversight. They argue NOHVIS provides a valuable supplement to DNR law enforcement on trails. Under the bill (as corrected to reflect recent motor fuel tax transfer estimates) and reflecting Finance Committee action to date, the ATV account is expected to have an available balance of approximately \$1.4 million on June 30, 2017. However, anticipated revenues are

expected to only modestly exceed authorized expenditures in fiscal year 2016-17. Restoring the \$297,000 annually for the NOHVIS grant could result in a modest structural imbalance in the ATV account. An alternative could be to provide \$150,000 annually for the NOHVIS grant which would restore approximately one-half of funding and keep authorized expenditures in-line with anticipated revenues. [Alternative B2].

9. *Wisconsin Lakes*. Lake protection grants may be awarded for a variety of purposes, including: (a) lake management projects for up to 75% of the cost of a project, up to \$200,000 per grant, for projects that will improve or protect the quality of water in lakes, flowages, or natural lake ecosystems; (b) lake planning projects for up to 67% of project costs with a maximum grant award of \$25,000 (eligible activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes); and (c) lake classification project grants of up to \$50,000 per county for up to 75% of the costs for the development and implementation of lake classification and subsequent protection programs and lake classification technical assistance grants of up to \$200,000 each to nonprofit corporations to provide educational and technical assistance to local units of government and lake management organizations that will participate in a lake classification project. Base funding for lake protection grants was \$2,452,600. The bill would delete \$200,000 annually for the lake classification technical assistance contract, leaving \$2,252,600 available for lake protection grants under the bill.

10. Under the lake protection grant program, since fiscal year 1998-99, DNR has primarily awarded one lake classification technical assistance contract for \$200,000 water resources account (motorboat fuel tax) SEG annually to Wisconsin Lakes. Formerly known as the Wisconsin Association of Lakes, Wisconsin Lakes is, according to its mission statement, a statewide nonprofit organization dedicated to conserving, enhancing, and restoring Wisconsin's lakes by fostering responsible lake stewardship and by promoting effective, beneficial environmental public policy. Wisconsin Lakes members include lake associations, lake districts, businesses, waterfront property owners, and other lake users and individuals. According to the Department, at least 30 counties have conducted lake classification projects to study the characteristics of lakes and assign them into different management classifications for the purpose of implementing lakes-based protection activities, land or lake use ordinances, or other best management practices or activities for protecting and improving water quality or aquatic habitats. The Department indicates that as more counties have completed lake classification projects and adopted a lake classification system, lake classification grants have shifted to providing grants for implementation of lake based protection activities such as ordinance development (for example, shoreland zoning), and county lakes studies for development of county land and water conservation plans. In fiscal year 2012-13, DNR awarded two lake classification grants (totaling \$100,000), and in fiscal year 2013-14, DNR awarded five lake classification grants (totaling \$221,300).

11. Wisconsin Lakes staff indicate that activities conducted utilizing grant funding include: presentations and regional workshops for local lake organizations on lake management topics and presentations and workshops at conferences and conventions around Wisconsin; publication of articles on lake managements issues; consultations with county organizations regarding lake classification strategies; one-on-one consultations with local organizations and communities to develop boating ordinances and work through recreational use conflicts; assisting DNR with

reviewing and ranking of lake grants; work directly with lake organizations to strengthen their capacity by encouraging use of best practices; serve as citizen partner in the Wisconsin Lakes Partnership, a collaboration between DNR, UW-Extension, and Wisconsin lakes to manage Wisconsin's lake resources. While not statutorily required, DNR requires Wisconsin Lakes to submit quarterly reports to the Department. In their report submitted May 1, 2015, for the period of January 1, to March 31, 2015, Wisconsin Lakes reports that their staff responded to approximately 15 requests for information and answered questions from waterfront property owners and others interested in lake matters regarding such subjects as: how to form a lake district; effective lake association and lake management district operations; county lake classification initiatives; resolving recreational use conflicts; lake stewardship educational materials; shoreland zoning, waterway regulations, shoreland restoration, comprehensive lake management planning, aquatic plant management, and aquatic invasive species control. Additionally, Wisconsin Lakes staff served on the grants ranking team to review and rank the county lake classification (and ordinance development) grant applications as well as the lake management planning grant applications received by DNR during the most recent grant cycle. Staff also met with several county staff to discuss water quality efforts and shoreland zoning updates. The report also notes that Wisconsin Lakes staff attended several meetings regarding such subjects as citizen lake monitoring and aquatic invasive species, managed educational exhibits and served on the planning committee for several lakes conferences and conventions. Wisconsin Lakes also produces an electronic newsletter which provides updates on lake policy, lake news from around the state, and announcements of lake events to approximately 3,900 subscribers.

12. According to Wisconsin Lakes, the DNR grant makes up approximately two-thirds of the organization's budget. Funds support the salary and benefits of the education director who is primarily responsible for the contract tasks and a portion of the salary of the executive director, who is responsible for grant oversight and handles many of the communications-related tasks of the grant contract including newsletter development. Wisconsin Lakes staff indicate that DNR grant funds are not utilized for fundraising and public policy activities. While the contract itself does not require a match, Wisconsin Lakes indicates that organizational memberships and other revenues cover management and general expenses which allows the organization to utilize the full amount of the grant funds for technical assistance, education, and outreach activities. Without grant support, Wisconsin Lakes indicates that they would likely eliminate one full-time position and potentially additional positions. Additionally, Wisconsin Lakes staff indicate that they would need to prioritize or limit the amount of one-to-one consultations they could conduct with citizen lake organizations as support funding for local workshops would be limited. With a greater reliance on membership funding, Wisconsin Lakes may spend more time focusing on items of member interest, such as increased public policy efforts. Wisconsin Lakes staff argue that the organization serves as a bridge between DNR and lake organizations and waterfront property owners and that the elimination of the grant funding would decrease trust between these groups and the Department. Alternative C1 would retain the current level of funding for the contract.

13. As noted, the bill would delete \$200,000 from the lake protection grant program to reflect the elimination of the lake classification technical assistance contract. The Department fully funded eligible lake protection grant applications in fiscal year 2012-13 and 2013-14. However, historically, the Department notes that this program has been oversubscribed. Further, in fiscal year 2014-15, DNR received applications for approximately \$1.2 million in eligible lake protection

grants which the Department was unable to fund. Further, in November, 2014, DNR launched a new "healthy lakes" initiative utilizing lake protection grant funds for implementing projects to install lakeshore best practices (eligible projects include rain gardens, native plantings, and fish sticks, large woody habitat structures that utilize whole trees grouped together to prevent shoreline erosion). The Department funded 10 projects under this program in fiscal year 2014-15 and anticipates increased interest in future fiscal years. An alternative could be to restore funding to be utilized for lake protection grants rather than the technical assistance contract [Alternative C2]. The water resources account is expected to have an available balance of approximately \$1.6 million on June 30, 2017.

14. *Great Lakes Timber Professionals Association- Master Loggers and Logger Safety.* Beginning in 2006-07 funding has been provided for grants of up to 50% of the cost of certification for individuals pursuing master logger certification through the Great Lakes Timber Professionals Association (GLTPA) (formerly the Wisconsin Professional Loggers Association, which merged with the GLTPA in 2011), and since 2009 Act 28, grants for up to 50% of the cost of receiving safety training. Reimbursement is provided to GLTPA for up to 50% of eligible certification or training costs. GLTPA works with Sustainable Resources Institute, Inc. (SRI) which manages the Wisconsin Master Logger Certification program.

15. The Wisconsin Master Logger Certification program recognizes logging companies that meet the sustainable forest management standards established by the American Loggers Council. According to SRI, the program assesses and documents the harvest practices that loggers use in the forest. To become certified, a logger submits an initial application and application fee (\$250) and an initial interview is conducted by the program administrator. The program administrator checks with the Forest Industry Safety and Training Alliance (a nationally recognized, non-profit safety training and educational organization for the forest industry) to ensure that the logger is in conformance with Wisconsin Sustainable Forestry Initiative (SFI) training requirements, and checks with all appropriate regulatory agencies (Occupational Safety and Health Administration, DNR, and the Better Business Bureau) to ensure there are no outstanding compliance issues. Additionally, three timber sales (one active and two completed in the previous year) are audited by a two-person verifier team (verifiers are foresters and loggers trained by the program administrator and outside certification experts) to document the applicant's field compliance and conformance with Master Logger Certification standards and practices (this includes identifying compliance with all landowner contract items, following water quality best management practices, following Wisconsin biomass harvesting guidelines, compliance with applicable regulations, hazardous spill prevention, utilizing proper silvicultural techniques, performing wildlife habitat enhancement practices, protection of archeological, historic and endangered resources, protection/enhancement of aesthetic values, and safety practices). The interview and field audit results are then sent to the applicant, who has an opportunity to submit any comments or clarifications before the interview and field audit are sent to the Master Logger Certifying Board. The Board is made up of seven members of stakeholder groups and other forestry experts (currently one state legislator, one member of the University of Minnesota Department of Forest Resources, a UW-Madison professor and wood products specialist, a DNR district forestry leader, a paper products company representative, a logging operation owner, and a representative from the Wisconsin Woodland Owners Association). The Board then meets and determines if the applicant is accepted. Annually, in order to be re-certified, the logger submits an annual

membership fee (\$50) and one active timber sale is audited by one verifier.

16. In addition to master logger certification, SRI also offers Forest Stewardship Council (FSC) Chain of Custody certification, which verifies that FSC certified forest product materials are identified or kept segregated from non-certified or non-controlled materials throughout the manufacturing and distribution process. DNR reimburses GLTPA who contracts with SRI, for up to 50% of the costs of master logger certification according to a fee schedule agreed to by DNR and GLTPA (DNR is billed \$2,100 for initial certification, \$1,100 for each re-certification and \$2,800 total for each logger who chooses to complete FSC Chain of Custody certification in addition to the master logger certification). SRI indicates that there are currently 53 member master loggers, of which, seven are FSC chain of custody certified. SRI indicates that members may use certification as a marketing tool when working with private landowners. Members gain an improved working relationship with DNR foresters and may receive discounts on liability insurance coverage and preference at certain mills. Members also receive a newsletter and outreach regarding industry issues and opportunities. SRI indicates the DNR funding was initiated to provide a workforce of loggers that were independently certified as doing a professional logging job and that the program also functions as an arbitrator for any complaints that may arise. SRI indicates that they are currently working with DNR as part of the Green Tier program (where businesses with a history of environmental compliance gain customized flexibility and public recognition in exchange for a commitment to superior environmental performance) to develop a potential incentive program to encourage master logger certification, but this is not yet in place.

17. Currently re-certification is done on an annual basis, whereas prior to receiving DNR funding, certification was done on a two- to three-year basis. If DNR reimbursement is eliminated, SRI staff indicate that the recertification may be done less frequently, but this decision would be made by the Master Logger Committee. The Committee consists of two master loggers from the four GLTPA regions within Wisconsin and are elected to two-year terms by master logger members. Loss of the DNR reimbursement could lead to increased membership fees, but SRI indicates that an increase in fees would likely result in a loss of members. This decision would be up to the Master Logger Committee. According to SRI, other potential actions as a result of loss of DNR funding could include reducing marketing efforts, potential difficulty in responding to complaints, eliminating the program administrator's attendance representing the Wisconsin Master Loggers at meetings or conferences, and eliminating the FSC Chain of Custody Certification.

18. *Gathering Waters, Inc.* Annually since 1996-97, DNR has provided a grant to a Wisconsin-based non-stock, nonprofit corporation. The nonprofit conservation organization [as described in section 501(c)(3) or (4) of the Internal Revenue Code (IRC)] must meet all of the following requirements to be eligible for the grant: (a) have an exemption from the federal income tax; (b) provide support to nonprofit conservation organizations (NCOs); (c) have a board of directors that has a majority of members who are representatives of NCOs; and (d) provide \$25,000 to be used with the grant and submit an annual report. The grant was awarded to Gathering Waters, Inc. beginning in 1996-97 (the group has received the grant every year since). According to their mission statement, Gathering Waters is formed to serve as an informational clearinghouse and technical assistance center to aid individuals and NCOs in preserving, protecting, and enhancing the ecological integrity of Wisconsin's land and water. Gathering Waters uses the DNR grant funds to support direct technical assistance to conservation land trusts (capacity building) as well as outreach

efforts. A conservation land trust is a nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting in land or conservation easement acquisition, or by its stewardship of such land or easements.

19. According to the Gathering Waters fiscal year 2013-14 annual report, direct technical assistance work during 2013-14 focused on the implementation of the Wisconsin Land Trust Excellence and Advancement Program (LEAP), a program based on national guidelines for the responsible operation of conservation land trusts. In partnership with the national Land Trust Alliance, the program provides Wisconsin land trusts with a variety of enhanced tools and services including tailored training, consultation, technical assistance, and other support to enhance their ability to protect land and ensure organizational sustainability. In addition, according to the report, LEAP also facilitates collaboration among land trusts to address regional conservation issues (such as strategic habitat protection in the Lake Michigan basin). In fiscal year 2013-14, Gathering Waters staff worked with eight land trusts that committed to and executed an implementation plan to fulfill "land trust standards and practices", the measure of a land trust's ability to operate in an ethical, legal, and technically sound manner. In addition, Gathering Waters conducted the following activities: (a) assisted seven land trusts with preparation for accreditation through the Land Trust Accreditation Commission; (b) provided grants to seven land trusts; (c) offered training, webinars, and teleconferences for land trust board members on organizational and leadership development, (d) continued hosting peer mentoring group teleconferences between Wisconsin and Michigan; (d) continued facilitating the Lake Michigan Shorelands Alliance.

20. Outreach work during 2013-14 also focused on maintaining a statewide communication network for land trusts and others working to conserve private lands, and working to increase the capacities of Wisconsin land trusts by planning, initiating, and managing outreach and communications activities. Outreach activities included: (a) maintained and updated an online map that connects landowners with local land trusts; (b) conducted media correspondence and media appearances to promote land trust work in Wisconsin; (c) partnered with the Wisconsin Wetlands Association to help them develop and publish a handbook for wetland owners; (d) created a twentieth anniversary publication showcasing trust land success stories from around the state; (e) communicated the impact of Wisconsin land trusts and promoted private land conservation to targeted audiences through daily Facebook posts, bi-weekly electronic newsletters, bi-weekly technical bulletins, press releases, website and blog posts, printed newsletter, annual report, and videos.

21. According to Gathering Waters, funding from the DNR grant makes up 22% of their annual operating budget. Further, the grant makes up 35% of their annual direct service and outreach budget and that elimination of that funding would have a dramatic impact on their ability to provide outreach and educational services. Gathering Waters staff point out that the state is investing significant taxpayer dollars through the stewardship program for grants to NCOs and that Gathering Waters ensures that the land trusts will continue to operate in an ethical, legal, and technically sound manner with regard to managing those lands in perpetuity. In addition, they note that the organization leverages resources from DNR and other funding sources to stretch funds further.

22. *Natural Resources Foundation (NRF)*. Funding was provided beginning in 2000-01,

split-funded evenly between the forestry and water resources account of the conservation fund, for a non-stock, nonprofit corporation that meets the following requirements: (a) the criteria under section 501(c)(3) or (4) of the IRC; (b) is organized in the state; (c) is exempt from taxation under section 501 of the IRC; and (d) is created to accept and utilize private contributions made to protect and enhance the state's natural resources. No match is statutorily required. In each year, the grant has been awarded to the Natural Resources Foundation of Wisconsin.

23. The NRF is a publicly supported non-profit conservation organization governed by a board of private citizens under s. 501(c)(3) of the Internal Revenue Code. According to their mission statement, the NRF was formed in 1986 to boost private sector investment and involvement in state-managed natural resources; waters, lands, and wildlife. The organization raises funds from donor and members (basic memberships begin at \$25) and provides grants to DNR and NCOs for land management activities (18% of 2013-14 grants) and rare and endangered species research and monitoring projects (31% of 2013-14 grants) on state-owned and managed lands, primarily state natural areas, and lands managed by NCOs, and for conservation education (23% of 2013-14 grants) and NCO organizational support (28% of 2013-14 grants). In addition, the NRF conducts field trips (which members may participate in) and other programming (such as the Great Wisconsin Birdathon, a walk-a-thon with birds, with donations used to support bird conservation projects). NRF indicates they currently have approximately 4,000 members and have taken 36,700 citizens on field trips since inception. Utilizing donations, the NRF established the Wisconsin Conservation Endowment, which currently includes 68 funds and \$4.12 million in assets that permanently support specific lands, programs, and species. In addition, 2011 Act 148 specifies that any person purchasing a hunting or fishing license, permit, stamp, or tag, a recreational vehicle registration (boat, ATV, UTV, or snowmobile), or a park vehicle admission, may also elect to make a voluntary contribution of at least \$2 to the Natural Resources Foundation of Wisconsin (NRF) to be used for an endowment program (the Cherish Wisconsin Outdoors Fund) to support habitat management activities on land owned or managed by the state. Through April, 2015, \$109,700 was distributed by DNR to NRF for the Cherish Wisconsin Outdoors Fund and \$11,500 was donated to the fund through NRF's website.

24. According to NRF, the DNR grant supports three staff people, a field trip coordinator (who also coordinates other educational programming), field trip assistant, communications director, and a portion of a fourth staff person (grant manager). Without the DNR grant, NRF staff indicate that the field trip program would be reduced or potentially eliminated, and that other educational programming would be curtailed. According to NRF staff, this would impact the organization's fundraising ability, as field trips and educational programming provide visibility for the organization and provide a mechanism for soliciting membership. While the statutes do not explicitly require that NRF provide matching funds or submit an annual report, DNR began requiring a match of 25% of the grant amount and an annual report beginning in fiscal year 2007-08. At that time, the Department did an administrative review of four similar capacity grants (Ice Age Trail, Gathering Waters, NRF, and Urban Forest Protection). The Department determined for consistency and fairness for all applicants that an annual report and the 25% match would be required for all four programs.

25. *Urban Forest Protection.* Since 1999, forestry account funding is provided to a federally tax-exempt non-stock, nonprofit corporation as described in section 501(c)(3) or (4) of the

IRC and organized for urban forest and water resource protection and urban open space purposes. To be eligible to receive the grant the corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. In fiscal years 2007-08 through fiscal year 2012-13, the grant was awarded to the River Revitalization Foundation (of Milwaukee). In fiscal year 2013-14, the grant was awarded to the Baird Creek Preservation Foundation (Green Bay). The Foundation was established in 1997, and its mission is to assist the City of Green Bay in acquiring land in the Baird Creek Parkway and to enhance the parkway's value as an ecological, recreational, and educational resource for northeastern Wisconsin.

26. The River Revitalization Foundation (RRF) is a land trust established in 1994 by the Kiwanis Club and the Rotary Club of Milwaukee to improve the environmental quality and to establish public access, walkways, recreation and education bordering the Milwaukee, Menomonee, and Kinnickinnic Rivers. RRF again received the award for 2014-15. According to their 2012-13 annual report, the River Revitalization Foundation (RRF) utilized grant funding for the following during 2012-13: (a) continued partnership with the Milwaukee River Greenway Coalition, including RRF securement of an easement from Milwaukee Area Technical College (MATC) to construct one mile of riverfront trail from Capitol Drive north to Estabrook Drive, and working to secure additional easements related to repair or removal of the Estabrook Dam; (b) implementation of Milwaukee River basin-wide land protection plans, including establishing a new RRF office location adjacent to the Wheelhouse park, planting a rain garden at its new office location, seeking funding for a dog park on Milwaukee County land, and invasive species removal and planting of native trees and plants by students and volunteers; (c) establish new partnerships, including continuing their advisory role on priority riparian projects in the Menomonee River Valley, working on the City of Milwaukee Green Team which involved engaging in public outreach through public meetings, surveys, neighborhood canvassing and media tools to solicit feedback for a sustainability plan for Milwaukee (RRF focused on land and urban ecosystems, water, and buildings), working with adjacent municipalities (such as Wauwatosa) to pass protective zoning on their rivers (such as the Menomonee River); (d) educational programming, including between 40 and 50 service learning students from UW Milwaukee spending 10 hours each on habitat restoration and hikes and the "take a hike" program encouraging participation in annual national events and promoting recreation in the river valley; (e) Wheelhouse property site plan implementation, the RRF acquired the 2.8 acre site of the former Wheelhouse Mystery Dinner Theater on Riverboat Road in Milwaukee with 650 feet of Milwaukee River frontage in 2009 and has been working to establish a riverside park on the property (the 2012-13 report noted that the shoreline restoration was nearly complete and a connection of the Milwaukee River Riverwalk was completed); and (f) presentations and media outreach; RRF conducted presentations at two environmental education conferences, and staff was featured on Milwaukee Public Radio and in the Milwaukee Journal Sentinel, and OnEarth magazine, a publication of the Natural Resources Defense Council. The report also notes that RRF is a member of Gathering Waters.

27. The DNR grant made up approximately 18% of RRF funding in fiscal year 2012-13. According to RRF staff, the DNR grant annually supported partial salaries for three staff people. In fiscal year 2013-14, when the Department awarded the grant to Baird Creek Preservation Foundation (Green Bay), the RRF reduced the hours these staff people worked and also secured one-time gifts from major supporters. Without continued grant support, RRF indicates they would

again reduce staff hours and work to diversify and broaden their funding sources. According to RRF, it would be difficult to raise enough funds to allow them to operate at their current level. They argue that urban conservation is unique and challenging and having funding to support the Foundation's work in Milwaukee is critical.

28. *Ice Age Trail Alliance.* The forestry account also supports an annual grant to a federally tax-exempt non-stock, nonprofit corporation as described in section 501(c)(3) or (4) of the IRC and organized for the purposes of establishing, maintaining, and promoting the Ice Age Trail. The corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. The grant has been awarded to the Ice Age Trail Alliance (formerly the Ice Age Park and Trail Foundation) each year. The trail is managed by a partnership among the National Park Service (NPS), DNR and the Ice Age Trail Alliance. The Ice Age Trail Alliance is a volunteer organization with headquarters in Cross Plains and volunteer chapters in 21 Wisconsin counties whose mission is to create, support and protect the thousand-mile Ice Age National Scenic Trail. The trail route passes through 30 counties in Wisconsin. The Alliance works on design and layout of the trail and volunteers perform routine trail maintenance through local chapters. In addition, the Alliance is a land trust accredited by the Land Trust Accreditation Commission, and completes land transactions and owns land and conservation easements that protect the trail and works with the National Park Service, DNR, and local governments and other land trusts to protect land for the trail.

29. According to their most recent annual report, during 2014, the Alliance completed activities under the following categories: (a) recruit, supervise, and retain volunteers who develop, maintain, and promote the Ice Age Trail in Wisconsin including eleven large-scale trail construction and maintenance projects with over 1,300 volunteers contributing a total 30,200 hours to these projects, and more than 150 local projects conducted, 255 new volunteers recruited, and volunteer training in crew leadership, technical trail skills, chainsaw safety, first aid and CPR, and food handling safety attended by 94 individuals; (b) build partnerships and work with civic organizations, businesses and municipalities, including such businesses as Jennie-O Turkey, REI, Klingiel Lumber, Nature Ovens Bakery, American Girl, Fontana Sports, and Vermont Valley Farms, civic groups including Lodi Optimist, Boy and Girl Scouts of America, United Way of Dane County, Imperial Lion Troupe, and Izzak Walton League, governments including the Village of Cross Plains, Dane County, City of St. Croix Falls, Chippewa County, Town of West Point, U.S. Forest Service and Village of Hartland and nonprofit organizations including the Natural Heritage Land Trust, Aldo Leopold Foundation, Riverland Conservancy, Polk County Fair Board, National Park Foundation, Woodland Dunes Nature Center, and Fair Share Coalition, and eight school districts participated in trail projects and 27 service learning projects were conducted; and (c) promote the protection of a corridor for the Ice Age Trail including protecting properties for the trail, including Alliance staff, DNR, and NPS participated in 39 meetings and three public corridor planning meetings, and Alliance staff have conducted GIS surveying for over 95% of the trail to maintain a GIS database for the trail. Through a project with the Department of Tourism, it was found that there are over 1.2 million annual users of the Ice Age Trail and the Trail has a direct economic benefit to the state of over \$113 million.

30. Currently, the Alliance has 11 staff including seven full-time staff and four part-time staff. Funding provided under the DNR grant makes up approximately 7% of the Alliance's

operating budget, with other funding provided primarily by foundation, corporation, and individual contributions and funding from the National Park Service and other governmental grants. Alliance staff indicate that without DNR grant support, it is likely the Alliance would reduce staffing by at least one full-time position and potentially two full-time positions. They indicate this would have a ripple effect on the number of projects the Alliance would be able to complete, resulting in less volunteer participation and less trail maintenance work performed. Alliance staff argue that the grant is a sound investment and critical to the Alliance's ability to leverage funds to the benefit of the state.

31. *River Alliance of Wisconsin*. The 1999-01 biennial budget provided funds for one or more contracts to federally tax-exempt non-stock, nonprofit corporations as described in section 501(c)(3) or (4) of the IRC that provide organizational and technical assistance to community-based river protection groups. The corporation is required to contribute \$1 for each \$3 in state grant funds. Each year, one contract has been awarded to the River Alliance of Wisconsin.

32. According to their mission statement, the River Alliance advocates for the protection, enhancement, and preservation of Wisconsin's rivers and watersheds. According to Alliance staff, the organization has been intensively supporting and training at least 20 river and watershed organizations (200 people) every year for the last 10 years. Further, Alliance staff indicate that the organization provides guidance and materials to additional organizations through its website and newsletters. According to the Alliance, these groups use the training and support River Alliance provides to grow and sustain their organization's missions to protect and improve the waters of Wisconsin. Staff indicate that almost all of the more than 130 river and watershed organizations in Wisconsin are led by volunteers who have counted on the River Alliance to assist them in understanding how to run a nonprofit organization, build a team of volunteers to clean up and monitor their river, and raise the funds they need to accomplish their goals. They also note that most of the groups the River Alliance has supported have received DNR river protection grants (grants to counties, cities, towns, villages, qualified lake or river associations, town sanitary districts, public inland lake districts, nonprofit conservation organizations and other local governmental units that are established for the purpose of lake or river management to improve or protect the quality of water in rivers, streams and flowages, limited to 75% of project costs, up to \$50,000 per grant for management projects and \$10,000 per grant for planning projects). River Alliance states that the assistance the Alliance provides these groups helps to ensure they are successful in completing the grant outcomes they pledged to accomplish.

33. While not statutorily required, DNR has required the River Alliance to submit quarterly reports. They have also provided an annual report to the Department. In their 2013-14 report, the River Alliance outlined activities conducted utilizing grant funding including: (a) board effectiveness workshop - in partnership with River Network, the River Alliance led a board training, designed for organizations that have paid staff, covering topics including board member roles and responsibilities, shared leadership, and board succession plans (nominating, recruitment, orientation, and evaluation) and committee work plans; (b) meetings, conventions, and gatherings including planning four gatherings of the Dane County Watershed network where topics included networking and collaborations, citizen monitoring in Dane County, and maximizing volunteer efforts; (c) presenting sessions at a Wisconsin Lakes Partnership Convention; planning the volunteer stream monitoring symposium (50 people representing 20 organizations registered for the symposium; and

hosting a gathering of local groups from the Wisconsin River basin to discuss cooperation between river groups; and (d) group consultations including providing support to several watershed and citizen river organizations for strategic planning, fundraising, budgeting, membership, and assistance with lake management plans, river planning grants, and other DNR grant-funded activities. For example, the River Alliance worked with a Lake Wisconsin resident to form a new organization to address issues in the Lake Wisconsin watershed

34. *County Forests Association.* 2007 Act 20 expanded the eligible uses of county forest administrator grants (which provide funding for up to 50% of the costs of a county forest administrator's salary and fringe) to include up to 50% of a county's dues to a nonprofit organization that provides leadership, counsel, and continuity to a county forest administrator and their respective forestry committee and also functions as an organizational liaison to DNR. Total grant awards may not exceed \$50,000 annually. Since fiscal year 2007-08, \$50,000 forestry SEG annually has been provided to counties for dues paid to the Wisconsin County Forests Association (WCFA). The bill deletes \$50,000 annually for the grants. The administration indicates that they intended to eliminate the ability for county forest administrator grants to be used for dues to the WCFA. However, the bill removes all statutory language referring to the county forest administrator grants. The administration submitted an errata so that, under the bill, as corrected, county forest administrator grants could be utilized for up to 50% of a county forest administrator's salary and fringe benefits, but could not be utilized for dues to a non-profit organization.

35. In 2014 WCFA dues consisted of a base fee of \$1,250 with an additional 0.040 per-acre forest acreage assessment. WCFA dues for the 29 member counties totaled \$131,100. 2015 WCFA dues consist of a base fee of \$1,600 and an additional \$0.046 per acre forest acreage assessment. In 2015, the dues paid by the 29 member counties totaled \$155,800. Therefore, the DNR grant of \$50,000 for dues covered 38% of county dues costs in 2014 and 32% of county dues costs in 2015. As noted, the primary purpose of the WCFA is to provide a forum for the consideration of problems and policies of concern to the forestry committees of the county boards of each county in the state responsible for managing county forests under s. 28.10 and Chapter 77 of the statutes. According to WCFA, the organization provides leadership and counsel to county forestry committees in relation to forestry policies and programs including administration, cooperation with state and federal agencies, and development and protection of Wisconsin forests. Further, the WCFA serves as a single point of contact for DNR for the 29 member counties with county forest land. WCFA staff indicate that elimination of the dues reimbursement could result in decreased membership in WCFA, in which case DNR would need to contact each non-member county directly, an additional cost to the Department in staff time and resources.

36. According to the Department, if individual counties withdrew from participation in the WCFA, it would most likely result in additional cost to the Department to continue to do business with county forest partners in total to accomplish the same degree and quality of service that DNR currently provides. DNR forestry staff indicate that the value of contributing up to 50% of the dues to WCFA in order to help support an effective and efficient organization far exceeds the cost of doing so. They indicate that DNR benefits greatly from the work the organization does, as do individual member counties and the public that benefit from the management of the county forests. As noted, the WCFA acts a single source of contact for the county forests as a collective. The DNR county and public forest specialist is in contact by phone with the WCFA Executive Director

approximately two to four times per week to address a myriad of individual and collective county forest issues. The Executive Director fields individual inquiries from members and often is able to respond directly to the members. In other cases the Director will forward questions or concerns to the DNR and will act as a conduit to distribute messages back to member counties. The Department estimates that DNR staff would need to field approximately 300 to 500 additional contacts per year if WCFA did not act as that single point of contact for individual county forests to DNR, resulting in additional staff time of 150 to 300 hours annually. In addition, the Department notes that the assistance WCFA provides to member counties also reduces the number of contacts and concerns that arise to field staff.

37. Further, the Department notes that the working relationship between county forests staff and DNR is excellent. A 2014 survey of counties participating in the county forest program found that 97% of counties indicated they were satisfied or very satisfied with the overall quality of assistance provided by the DNR Division of Forestry. DNR argues that the partnership between the Department and county forests results in success on the ground and reduces the amount time and cost that is required for DNR to administer the county forest program. DNR also notes that the county forest administrator grant has consistently ranked as the single most important source of support that county forests receive from forestry account funds. In the same 2014 survey, DNR reports that 93% of counties indicated that this grant was “very important” in maintaining their individual county forest program, the other 7% indicated it was “fairly important”. Given that the WCFA provides benefits to the Department, an alternative could be to provide increased funds for the county forest administrator grant program and increase the total amount that could be awarded from those grants for up to 50% of the costs of dues from \$50,000 to up to \$80,000. This would provide reimbursement to counties for 50% of the current costs, rather than 32% as provided under current law. [Alternative D2]. On the other hand, counties participated in this organization without assistance prior to 2007.

38. *Wild Rivers Interpretive Center.* Since 2007-08, DNR has been directed to provide a grant annually to the Florence Wild Rivers Interpretive Center to be used for park and recreational uses, forestry education, and tourist information provided by the Center and for its operational costs. No match is specified. The Center features an array of exhibits regarding the history of the County and area forestry and wildlife. Florence County owns the building which houses staff from the Florence County Forestry and Parks Department, DNR, U.S. Forest Service, University of Wisconsin-Extension, and Wisconsin DOT Division of Motor Vehicles. Non-county entities lease space from the county.

39. Funding for the Interpretive Center is provided by Florence County, DNR, and the U.S. Forest Service (the Interpretive Center staff do not provide services for the UW-Extension or DMV). According to Interpretive Center staff, this funding has historically supported four part-time staff, an education/promotion director who works 32 hours per week and three part-time frontline (counter) staff positions (one who works 32 hours per week, one who works 20 hours per week, and one who 16 hours per week) as well as exhibit costs and supplies. However, in anticipation of the potential reduction in funding under the Governor's budget bill, the Center recently eliminated one part-time counter position (a reduction of 20 hours per week in staffing). Unless a caller has a direct phone number for an employee, all calls go through the Interpretive Center front desk. Interpretive Center staff answer all questions regarding DNR, U.S. Forest Service, or Florence County Forestry

and Parks and are highly knowledgeable about rules, regulations and laws relating to privately held lands in Florence County. If unable to answer a question, an employee of these three entities are called to the front desk to speak with a patron in person. Staff also provide tourism information and direct visitors to area attractions with maps and literature. The frontline staff also sell all DNR hunting, fishing, trapping, and game licenses and stamps through the Department's automated license system, as well as DNR park and forest admissions and recreational vehicle registrations. In fiscal year 2013-14, license sales generated approximately \$20,000 in revenue to the Department, and recreational vehicle registrations generated approximately \$18,000 in revenue to DNR (the Center retains the issuance and agent transaction fees).

40. It could be argued that as the Center provides revenues to the Department exceeding the grant funds, it is in the interest of the Department to continue to provide the grant. However, since revenues generated are deposited in the conservation fund, it could be argued that the conservation fund should support the grant. As these staff function similar to DNR customer service staff, funding could be provided from the Department's conservation fund SEG customer service and licensing operations appropriation which is split-funded from the fish and wildlife, forestry, boat registration, snowmobile, ATV, water resources, and parks account [Alternative E2].

Other Considerations

41. Many of the NCOs receiving these grants argue that they leverage resources from DNR and other funding sources to accomplish state conservation goals. Others point to their ability to serve as an intermediary between the Department and local governments, local organizations, and citizens. Additionally, DNR indicates that if these grants are eliminated, the Department would not undertake most of the activities the recipients currently conduct. It could be argued that these grants provide benefits to the Department in the form of increased compliance with regulations, increased public safety, enhanced communications, and reduced costs and should be restored [Alternative A2].

42. On the other hand, the grants have gone to primarily the same groups each year and some argue that state funds should be provided on a competitive basis to provide numerous applicants an equal opportunity to receive public support. The administration states that the bill intends to eliminate earmarks across most agencies, including the grants to NCOs which have primarily been provided to the same organizations each year. The Committee could consider adopting the Governor's proposal to eliminate the grants for NCOs [Alternative A1]. Another option would be to specify that the grant may not go to the same organization for more than four consecutive years [Alternative G1]. This would allow for more potential competition while aiding various NCOs with startup or expansion efforts. However, in some cases, there may be few organizations suited to performing these activities and if no other organization applied, the grant might go unused. The Committee also could consider each grant authority and funding level independently [Alternatives under F].

43. If the Committee wishes to restore any of the grants, it could consider requiring a uniform matching requirement for each grant, and/or requiring an annual report for each grant [Alternatives H and I]. As noted, for some grants, the Department has required matching funds and annual reports even though the statutes do not explicitly require them. The following table shows

each grant and the current law requirements regarding matching funds and reports.

<u>Grant Recipient</u>	<u>Source</u>	<u>Matching Requirement</u>	<u>Reporting Requirement</u>
Sporting Heritage	GPR/unspecified	\$150,000 beginning in 2015-17 biennium	None
Great Lakes Timber Professionals Assoc. & Wisconsin County Forests Assoc.	Forestry SEG	None	Yes- required to provide a report on study result
National Off-Highway Vehicle Insurance Services Group (NOHVIS)	All-Terrain Vehicle SEG	None	None
Wisconsin Lakes	Water Resources SEG	None	None statutorily, but DNR requires quarterly reports
Great Lakes Timber Professionals Assoc. - Master Loggers	Forestry SEG	50% of cost (DNR grant intended to cover 50% of certification/safety training costs)	
Gathering Waters, Inc.	Water Resources/Forestry SEG	\$25,000	Yes - annual
Natural Resources Foundation	Water Resources/Forestry SEG	None- but since FY08 DNR has required one to be consistent with other similar grants (Ice Age Trail, Gathering Waters)	Not statutorily -but DNR requires an annual report
Urban Forest Protection	Forestry SEG	25,000	Yes- Annual
Ice Age Trail Alliance	Forestry SEG	25,000	Yes- Annual
River Alliance of Wisconsin	Water Resources SEG	25%	Not statutorily -but DNR requires quarterly reports
County Forests Association	Forestry SEG	None	None
Wild Rivers Interpretive Center	GPR	None	None - However they did submit a report in December, 2014

44. Five of the current grants allow nonprofit status to explicitly include social welfare groups under section 501(c)(4) of the IRC [in addition to 501(c)(3) nonprofits]. (The remainder are either specifically named or require unspecified "nonprofit" status.) While 501(c)(4) social welfare groups may have represented traditional NCOs, or educational nonprofits, at the times these provisions were created, they may be viewed as allowing substantial political activity in more recent years. None of the five grant recipients are currently 501(c)(4) groups. The Committee could consider deleting this reference [Alternative J1].

45. At least six of the grants to NCOs have been awarded for similar purposes [including grants to Wisconsin Lakes, Gathering Waters, the Natural Resources Foundation, the River Revitalization Foundation (urban forest protection), the Ice Age Trail Alliance, and the River Alliance of Wisconsin. The six grants currently total approximately \$640,000 annually. The Committee could consider deleting the specific earmarks, but retaining some level of funding from

the forestry and water resources accounts and making the program competitive [Alternative K]. Funding from the forestry and water resources accounts could be provided for grants to nonprofit conservation organizations (NCOs) for one or all of the following purposes: (a) to encourage contributions of money, time and activities that encourage management, restoration, protection, and preservation of the state's endangered wild animals, wild plants, and natural communities; (b) provide grants, support, or technical assistance to other nonprofit conservation organizations; (c) assist in the establishment of nonprofit conservation organizations; (d) assist nonprofits, community groups, and local governmental units in acquiring property for conservation purposes and in managing or developing property acquired for conservation purposes; and (e) recruit, train, and support the work of volunteers who develop, maintain and promote state or national trails in Wisconsin, build partnerships with local governmental units and nonprofit organizations, and promote the protection of one or more trail corridors. For the purposes of these grants, nonprofit conservation organization would mean a nonprofit corporation, a charitable trust, or other nonprofit association organized in this state and that is described in section 501(c)(3) of the internal revenue code and is exempt from federal income tax under section 501(a) of the IRC. In addition, a recipient could be prohibited from receiving a grant for more than four consecutive years. An annual report and recipient match could be required. Two options would be providing the current amount of \$640,000 annually [Alternative K1], or one-half the current amount [Alternative K2]. The grants for NOHVIS, county forest association dues, and the Wild Rivers Interpretive Center could be addressed separately.

ALTERNATIVES

A. General Alternatives

1. Adopt the Governor's recommendation to delete \$22,800 GPR and \$1,135,500 SEG annually and eliminate grants to non-profit conservation organizations (NCOs), as corrected to: (a) delay the effective date to June 30, 2016, in order to restore the required report from the Great Lakes Timber Professionals Association and Wisconsin County Forests Association (WCFA); and (b) to restore the county forest administrator grant language with the exception of the \$50,000 annually for WCFA dues.

2. Restore funding and provisions regarding grants to NCOs.

ALT A2	Change to Bill
SEG	\$2,271,000
GPR	<u>45,600</u>
Total	\$2,316,600

B. National Off-Highway Vehicle Insurance Services Group (NOHVIS)

Restore the following amount from the ATV account for the NOHVIS grant.

1. \$297,000 SEG annually (current law)

ALT B1	Change to Bill
SEG	\$594,000

2. \$150,000 SEG annually.

ALT B2	Change to Bill
SEG	\$300,000

C. Wisconsin Lakes

1. Restore \$200,000 annually (current law) to the lake protection grant program for the Wisconsin Lakes contract.

ALT C1	Change to Bill
SEG	\$400,000

2. Restore \$200,000 annually, but for lake protection grants (authority for contracts would not be restored).

ALT C2	Change to Bill
SEG	\$400,000

D. County Forests Association

1. Restore the following amount to be provided annually from the forestry account to be used for up to 50% of the costs of dues to a county forest organization (WCFA). Further, restore county administrator grant program language.

- a. \$50,000 (current law).

ALT D1a	Change to Bill
SEG	\$100,000

- b. \$80,000

ALT D1b	Change to Bill
SEG	\$160,000

2. Approve the Governor's recommendation to delete WCFA grants, but restore the county administrator grant program language deleted in error.

E. Wild Rivers Interpretive Center

1. Restore \$22,800 GPR annually for the wild rivers interpretive center (current law).

ALT E1	Change to Bill
GPR	\$45,600

2. Provide \$22,800 conservation fund SEG annually to customer service and licensing for the wild rivers interpretive center;

ALT E2	Change to Bill
SEG	\$45,600

F. Restore to current law the funding (where applicable) and provisions related to the following grants to NCOs:

1. Sporting Heritage;

2. Great Lakes Timber Professionals Association and Wisconsin County Forests Association (report only);

3. National Off-Highway Vehicle Insurance Services Group (\$297,000 ATV account SEG annually);

ALT F3	Change to Bill
SEG	\$594,000

4. Wisconsin Lakes (\$200,000 water resources SEG annually);

ALT F4	Change to Bill
SEG	\$400,000

5. Great Lakes Timber Professionals Assoc. - Master Loggers (\$148,500 forestry SEG annually);

ALT F5	Change to Bill
SEG	\$297,000

6. Gathering Waters, Inc. (\$101,200 water resources account and \$37,100 forestry account annually);

ALT F6	Change to Bill
SEG	\$276,600

7. Natural Resources Foundation (\$84,100 water resources/forestry SEG annually);

ALT F7	Change to Bill
SEG	\$168,200

8. Urban Forest Protection (\$74,200 forestry SEG annually);

ALT F8	Change to Bill
SEG	\$148,400

9. Ice Age Trail Alliance (\$74,300 forestry SEG annually);

ALT F9	Change to Bill
SEG	\$148,400

10. River Alliance of Wisconsin (\$69,200 water resources SEG annually);

ALT F10	Change to Bill
SEG	\$138,400

11. County Forests Association (\$50,000 forestry SEG annually);

ALT F11	Change to Bill
SEG	\$100,000

12. Wild Rivers Interpretive Center.

ALT F12	Change to Bill
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GPR	\$45,600
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G. Grant Competition

1. For any items being retained (except the Wild Rivers Interpretive Center), specify that an organization may not receive funding for more than four consecutive fiscal years.
2. Take no action.

H. Recipient Match

1. For any items being retained, require that at least the following match requirement be met from non-state funding for eligible project costs:
 - a. \$2 for every \$1 provided by DNR;
 - b. \$1 for each \$1 provided;
 - c. \$1 for each \$2 provided.
2. Take no action.

I. Recipient Annual Report

1. For any items being retained, require the recipient to submit an annual report to the Department which includes information on the recipient's overall budget and activities, and details regarding the recipient's use of the grant funds, including how funded activities furthered the conservation goals of this state.
2. Take no action.

J. Nonprofit Status

1. Delete references to section 501(c)(4) of the IRC [social welfare groups] for eligible entities.
2. Take no action.

K. Competitive Grant Program

Provide one of the following amounts to award grants to NCOs for one or more of the following purposes: (a) to encourage contributions of money, time and activities that encourage

management, restoration, protection, and preservation of the state's endangered wild animals, wild plants, and natural communities; (b) provide grants, support, or technical assistance to other nonprofit conservation organizations; (c) assist in the establishment of nonprofit conservation organizations; (d) assist nonprofits, community groups, and local government units in acquiring property for conservation purposes and in managing or developing property acquired for conservation purposes; and (e) recruit, train, and support the work of volunteers who develop, maintain and promote state or national trails in Wisconsin, build partnerships with local governmental units and nonprofit organizations, and promote the protection of one or more trail corridors. Specify that for the purposes of these grants, nonprofit conservation organization means a nonprofit corporation, a charitable trust, or other nonprofit association organized in this state and that is described in section 501(c)(3) of the internal revenue code and is exempt from federal income tax under section 501(a) of the IRC. In addition, specify that a recipient may not receive a grant for more than four consecutive years and require the recipient to submit an annual report to the Department which includes information on the recipient's overall budget and activities, and details regarding the recipient's use of the grant funds, including how funded activities furthered the conservation goals of this state.

1. \$228,000 forestry SEG and \$412,000 water resources SEG annually with the recipient required to provide at least 25% of eligible costs.

ALT K1	Change to Bill
SEG	\$1,280,000

2. \$114,000 forestry SEG and \$206,000 water resources SEG annually with the recipient required to provide at least 50% of eligible costs.

ALT K2	Change to Bill
SEG	\$640,000

Prepared by: Erin Probst