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Conservation Fund

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Conservation Fund

Introduction

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). DNR programs supported by conservation fund revenues include wildlife and fish management, forestry, the state parks system, the endangered resources program, and several recreational vehicle programs. The conservation fund also supports programs and operations in other agencies, including the Lower Wisconsin State Riverway Board, the Fox River Navigational System Authority, the Kickapoo Reserve Management Board, the University of Wisconsin System, the State Historical Society and the Departments of Commerce, and Agriculture, Trade and Consumer Protection.

The conservation fund is defined under s. 25.29 of the Wisconsin Statutes. Fund revenues may only be expended under the appropriation authority provided by the Legislature. The Department cannot transfer funds between appropriations. At the end of each fiscal year, unexpended amounts in most conservation fund appropriations lapse to the balance of the fund.

State and federal law require that some types of conservation fund revenues be used exclusively for particular activities. In addition, the statutes require that all monies received through DNR resource management, enforcement and local support activities be credited to the program which generated them. Therefore, separate accounts within the conservation fund have been administratively created to facilitate its management. One account, into which snowmobile program revenues are deposited, is designated by statute. Other accounts may be referenced in statute, but are not defined.

The subdivision of the conservation fund into separate accounts differs from the practice used for most other state segregated funds. For example, the state transportation fund is not split into separate accounts. The accounts within the conservation fund enable DNR to ensure that revenues are utilized for authorized purposes. In addition, the accounts system is useful in developing budgets for each program area.

The conservation fund is divided into the following nine accounts (a tenth account, the motorcycle recreation account was eliminated on June 30, 2005):

- fish and wildlife
- forestry
- parks
- water resources
- natural resources magazine
- boat registration
- all-terrain vehicle
- snowmobile
- endangered resources

This paper contains information on revenue sources for each account and the appropriations provided for specific programs during the 2007-09 biennium. The estimated 2007-09 condition statement for the conservation fund is included as Appendix I. Descriptions of program changes resulting from recent legislation are also included.

In reviewing the revenue and expenditure data, the reader should note five points. First, although certain federal revenues received by the state are deposited in the conservation fund, these revenues are not included in discussions of revenues to each account or included in revenue totals. These estimated revenues are credited to separate federal appropriations. Second, several of the programs funded from the conservation fund also receive funding from general purpose revenue (GPR) or program revenue (PR), which are also credited to separate appropriations and are not generally

discussed in this paper. Third, budgeted expenditures may exceed actual and estimated revenue amounts for some of the accounts during the 2007-09 biennium. This can occur when an account has a positive, uncommitted balance from a previous fiscal year and part of this balance is appropriated to fund program activities in the next fiscal year. Fourth, the amounts identified as revenue estimates for the 2008-09 fiscal year are primarily based on those submitted by DNR as part of its 2007-09 biennial budget request. These revenue estimates are typically reviewed and may be modified by the Department of Administration in developing the Governor's budget and again by the Legislative Fiscal Bureau during legislative deliberation of the biennial budget. Fifth, some revenue sources and expenditure categories, such as licensing and administration, are common to more than one account in the conservation fund, and are discussed in a separate section rather than under the individual accounts.

Fish and Wildlife Account

Revenue

General Account Revenue. The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. There are a wide variety of licenses authorizing residents and nonresidents to hunt and fish. 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 (such as turkey or trout), 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 sporting goods stores, discount stores and bait shops), although certain licenses are only available through the Department. A sales

agent retains 50¢ for each license and 15¢ for each stamp sold. In addition to receiving the issuance fee, beginning in license year 2002, sales agents also retain 50¢ for each transaction provided through the Automated License Issuance System (ALIS), as well as 50¢ for each "herd control" (formerly Zone T) antlerless deer hunting permit issued. Both the issuance and transaction fees are deducted from the amount of license revenue retained by DNR. In 2007-08, agent commissions totaled approximately \$3.0 million. In 2008-09, approximately \$3.1 million was budgeted for the operation of the Automated License Issuance System.

Agents contracting with DNR to operate ALIS terminals are also authorized to collect and retain the handling fee that DNR is authorized to charge for handling costs (such as credit transaction fees, mailing and personnel costs) if the individual purchases a license using a credit card. Currently, this fee is \$3. License year 1999 (April, 1999, through March, 2000) was the ALIS system's first year of operation. Over 1,500 agents contracted with DNR to operate ALIS terminals, including gas stations, marinas, sporting good stores, and chain stores (such as Wal-Mart and Mills Fleet Farm). By license year 2008, the number of independent ALIS agents decreased to 1,322. Currently, there are 207 different licenses and approvals issued through ALIS. In addition to these, 17 Lac du Flambeau licenses and approvals are offered. During license year 2007 (April, 2007, through March, 2008), approximately 3.5 million licenses were sold through ALIS to over 2.1 million customers. Approximately \$73 million in revenue was collected in license year 2007 from ALIS transactions.

As a condition of receiving federal aid under the Sport Fish Restoration Act and the Wildlife Restoration Act, federal law requires that revenues received from hunting and fishing licenses not be diverted to purposes other than administration of the state fish and wildlife agency (in Wisconsin, the Department of Natural Resources). Federal aid is apportioned to each state based on the number of paid license holders and the land and water area of the state. To have a license sale recognized in the

formula for determining federal aid, the state must charge a fee for a license sufficient to produce net income to the state after deducting reasonable costs to issue the license.

2005 Act 25 increased certain hunting and fishing license fees, effective July 27, 2005. The act also increased the wildlife damage surcharge which is applied to most hunting licenses from \$1 per license to \$2 per license. The act also created two additional fishing licenses, a sturgeon hook and line tag and a two-day inland lake trout fishing license. Additionally, 2005 Act 25 created a youth deer license for residents with a fee of \$20.

Further, Act 25 allowed DNR to charge a fee of \$10 for residents and \$15 for nonresidents for the purchase of additional wild turkey tags if the number of tags allotted for a given wild turkey hunting zone or season time period exceeds the number of applications received for that zone or time period. Previously, hunters had been able to receive additional permits at no extra charge, with the distribution of tags at random, based on the cumulative preference system (resident landowners received priority). Appendix II identifies the prior fees (2004), the current fees (2008), and the change in the fees assessed for major recreational hunting and fishing licenses as well as the number sold during fiscal year 2007-08 as reported by DNR's Bureau of Customer Service and Licensing. The fees include the issuing fee and the wildlife damage surcharge where applicable. While non-residents generally pay higher fees for hunting and fishing licenses, 2007 Act 51 specified that members of the armed forces and members of reserve units of the armed forces who are stationed in Wisconsin are to be charged the resident fees for hunting, trapping, and fishing licenses.

Combination licenses, which provide holders the privileges of several individual licenses, are also available. The sports license provides the holder all the privileges of the fishing license and the small game and deer hunting licenses. The conservation patron license provides the holder

with a number of hunting, fishing and other recreational privileges. In addition, a junior sports and junior conservation patron license were created under 2003 Act 33. These licenses carry the same privileges as the existing conservation and sports licenses, but are available for a reduced fee to individuals between the ages of 12 and 17 years of age. 2005 Act 25 increased the surcharge on conservation patron licenses from \$2 to \$4. Prior to 2005 Act 25, the junior combination licenses were available to both residents and non-residents for the same fee. However, due to a technical error, the nonresident junior combination licenses are \$1 or \$2 higher than the resident junior combination licenses. Act 25 also clarified that any person age 12 years of age or older may purchase a combination license. Previously, some statutes included 12 as the minimum age while others included 14.

While most of the revenue from conservation patron license sales is retained in the fish and wildlife account, a portion of the revenue is transferred to the forestry, parks and natural resources magazine accounts of the conservation fund to reflect the revenue from the license attributable to the privileges related to those accounts.

The Department also currently charges a \$3 permit application fee for the following permits: (a) bobcat hunting and trapping; (b) otter trapping; (c) fisher trapping; (d) Canada goose hunting; (e) wild turkey hunting; (f) sharp-tailed grouse hunting; and (g) Class A bear license. Some of these fees can be waived for holders of the conservation patron license. Revenues from sales of bonus deer hunting tags were lower in fiscal year 2007-08 (\$445,700) than in fiscal year 2006-07 (\$925,800).

In addition to licenses purchased primarily for recreational fish and game activities, several types of licenses are required for specialized commercial fish and game activities. These include guide and sport trolling approvals, fur dealer and taxidermist licenses, commercial fishing and clamming approvals, fish and bait dealing approvals, wild animal and natural-waters fish farming approvals

and licenses for wild rice harvesting and dealing.

Deer Hunting

Each year, DNR wildlife biologists review deer harvest histories and compare them to management goals for each deer management unit to determine recommendations for the hunting season structure of the unit. The Natural Resources Board then either approves the recommendations or recommends changes to the DNR's proposals. Season structures and unit designations are then finalized at the Natural Resources Board meeting in April.

In addition to the traditional nine-day gun deer hunt, DNR authorized additional antlerless deer seasons in 2007 and 2008 in order to reduce deer populations in widespread areas. Hunters in deer management units where chronic wasting disease (CWD) had been found could acquire an unlimited number of antlerless permits, while hunters in other deer management zones were issued one free antlerless permit with the purchase of a regular gun deer license. In addition, several deer management units were designated as "earn-a-buck," where hunters were required to harvest an antlerless deer before harvesting an antlered deer.

Currently, there are four types of deer season structures: regular, herd control (formerly zone-T), earn-a-buck (EAB) and CWD. Regular units are units where deer populations are at or near the DNR established goal. These units are referred to as "regular" units because the regular nine-day November gun season structure is the primary gun hunting opportunity. In 2008, an additional four-day statewide antlerless December hunt was authorized for all deer management units, including regular units.

Herd control units are units where additional gun and archer hunting of antlerless deer is necessary to reduce the deer population to a level closer to the DNR established goal. In 2008, additional four-day antlerless-only deer hunts were authorized for October and December. In addition to these antlerless hunting seasons, one free antlerless

herd control deer carcass tag was issued with each Gun or Archery Deer license (two free tags with each Conservation Patron license).

The earn-a-buck season structure is a more restrictive season structure. This structure is recommended only if a deer management unit has had at least two years of consecutive herd control, or earn-a-buck, seasons which failed to reduce the population to near goal, and if a subsequent non-EAB season is estimated to be unlikely to do so. Under earn-a-buck, a hunter must first tag an antlerless deer before being allowed to tag an antlered buck. The EAB season structure includes the antlerless deer carcass tags and the four-day October and December antlerless-only deer hunts.

Similar to previous years, all CWD deer management units were subject to the unlimited earn-a-buck requirements for 2008. Unlike prior years, the gun hunting season structures in CWD units were altered for 2008 to be more consistent with statewide seasons. The differentiation between the CWD "disease eradication zone" and the rest of the CWD deer management units was eliminated making hunting season structures throughout the entire CWD management zone consistent. In 2008, in addition to the antlerless-only hunts, an unlimited earn-a-buck requirement was imposed during the nine-day November gun season, 10-day muzzle-loader hunt, plus an additional 12-day "holiday gun hunt" beginning on December 24.

Additionally, in 2008, a two-day statewide either sex gun deer hunt was scheduled for October 11 and 12 for youth ages 12-14, and admittance to state parks for hunting with limited \$3 permits were authorized to be sold on a first come, first serve basis beginning on August 23, 2008. State parks with limited hunting access include: Brunet Island, Council Grounds, Kohler-Andrae, Rib Mountain, Lake Wissota, Perrot, High Cliff, Harrington Beach, Wildcat Mountain, Wyalusing and Peninsula. In addition, the permits were authorized to be sold in the Loew Lake Unit of the Kettle Moraine State Forest. Additionally, deer hunting in most state parks within CWD units is allowed with

free unlimited access permits. A preliminary total of 276,985 deer were registered by hunters during the nine-day gun deer season in November, 2008.

Elk Hunting

Under 2001 Act 109, DNR was provided the authority to establish an elk hunting season. A limited bull-elk season would be considered when population levels reach approximately 200. Twenty-five elk were initially introduced in 1995. Over the 2008 calving period (late May through late June), the herd grew from an estimated 123 animals to 149. Under Act 109, the Department was also directed to establish an elk hunter education course, which would be a mandatory requirement prior to participating in an elk hunt. Fees for the elk hunting licenses are currently set at \$49 for residents and \$251 for non-residents (including the issuing fee and \$2 wildlife damage surcharge). Individuals interested in purchasing an elk hunting license would be required to pay a \$3 processing fee when applying. Successful applications would be chosen on a random basis if the number of applications exceeds the available number of permits. Non-residents would be eligible to receive 5% of elk hunting licenses remaining after 100 tags were provided to residents. As indicated, elk populations within the state are not expected to reach sufficient levels to support a very limited hunting season until at least 2011.

Captive Wildlife Regulation

Under s. 93.07 (10) of the statutes, the Department of Agriculture, Trade and Consumer Protection (DATCP) has the responsibility to protect the health of domestic animals of the state, including farm-raised deer, and to prevent, control, and eradicate communicable disease among these animals. Prior to 2003, DATCP registered approximately 100 deer farms with non-native species (such as red deer and sika deer) and 235 elk farms. Under 2001 Act 56, the authority to license, regulate, and inspect all of the state's approximately 641 captive deer and elk farms (including approxi-

mately 375 whitetail deer herds in 2008), and related markets and movement in the state was transferred from DNR to DATCP on January 1, 2003. Under administrative rule ATCP 10, DATCP requires all deer farms to register with the Department, with annual fees of \$50 for a herd of 14 or fewer deer, and \$100 for a herd of 15 or more deer. If a farmer owns more than one type of deer (red deer and whitetail deer, for example), the deer owner may choose to commingle the deer into one herd (and thereby register one herd), or separate the herds, with DATCP certification of separation required, and register multiple herds. In addition, since October 1, 2004, DATCP regulates about 64 farm-raised deer hunting preserves. Hunting preserves must pay a \$150 fee that is good for 10 years. A deer herd owner who also owns a hunting preserve is required to obtain both a deer herd and a hunting preserve license.

DNR retains responsibilities related to the inspection of fences for facilities containing farm-raised whitetail deer, and is authorized to charge an inspection fee. In addition to the deer farm fees charged by DATCP, DNR charges an inspection fee of \$50 for a fenced area under 80 acres and \$100 if the fenced area is 80 acres or more. Inspections typically occur every 10 years, and inspection certificates are valid until December 31st of the 10th year following certification. Since January 1, 2003, the captive wildlife licenses and fees shown in Table 1 have been assessed by DNR. Licenses shown in the table are valid for one year, unless otherwise indicated. Captive wild animal farm licenses are for species other than cervids (deer or elk).

Dedicated Account Revenue. Some revenue sources to the fish and wildlife account are statutorily designated for specific purposes, rather than for general fish and game activities. The main categories of dedicated revenue are: (a) hunting and fishing stamps; (b) bonus deer permit and wildlife damage surcharge revenue; and (c) handling fees.

Hunting and Fishing Stamps. In order to hunt or

Table 1: DNR Captive Wildlife Fees

	Initial Cost	Renewal
Captive Wild Animal Farm License, Class A	\$200	\$100
Captive Wild Animal Farm License, Class B	50	25
Bird Hunting Preserve License, Class A	300	200
Bird Hunting Preserve License, Class B	200	100
Bird Dog Training License*	25	25
Bird Dog Trial License	25	25
Hound Dog Training License*	25	25
Hound Dog Trial License	25	25
Dog Club Training License	100	100
Wildlife Stocking License**	25	25
Wildlife Rehabilitation License*	Free	
Scientific Research License	25	25
Non-profit Educational Exhibition License	25	25
Non-resident Temporary Exhibition License**	50	50
Wild Fur Farm License*	50	50

*Valid for three years

**Valid for 30 days

fish certain species, a person must purchase a stamp in addition to a license. Revenue from the sale of these stamps must be utilized exclusively for habitat and propagation projects for the benefit of the respective species. Currently, five stamps are required:

- waterfowl
- wild turkey
- pheasant
- inland waters trout
- Great Lakes trout and salmon

2005 Act 25 created a sturgeon hook and line tag, with a fee of \$20 for residents and \$50 for nonresidents. The tag is required in addition to any other license under current law, such as a fishing license. Revenues from the sturgeon hook and line tag are used for assessing and managing lake sturgeon stock in inland waters. Act 25 also created a resident two-day inland trout fishing license (for use on inland lakes only), priced at \$14 effective March 1, 2006. Individuals on lakes with the two-day license are not required to purchase a fishing license or inland waters trout stamp to fish for lake trout. Appendix II summarizes the hunting and fishing fees and total sales in fiscal year 2007-08.

In 2002, a non-issuance period for a sturgeon

spearling license was created from the November 1 preceding the open season until the last day of the season. In addition, the fee for a sturgeon spearling license was increased from \$10 to \$20 for residents and \$50 for non-residents. A person need not hold a valid fishing license to be issued a sturgeon spearling license. The privileges of the sturgeon spearling license are not included for holders of conservation patron licenses. 2005 Act 25 increased the sturgeon spearling license fee for non-residents from \$50 to \$65. The act did not increase the fee for residents. Revenues from the sale of sturgeon spearling licenses are directed toward the cost of administering the license, assessing and managing the lake sturgeon stock and fishery, and improving and maintaining lake sturgeon habitat.

2005 Act 25 increased the lake resources voluntary contribution from \$1 to \$3 for a boat registration. When purchasing a boat registration, a person may elect to contribute this amount for lake research in addition to the registration fee. Contributions of \$50,500 were deposited to the fish and wildlife account in 2007-08.

Bonus Deer Permit and Wildlife Damage Surcharge.

A surcharge is added to most resident and nonresident hunting licenses to fund wildlife damage program activities. 2005 Act 25 increased the wildlife damage surcharge from \$1 per license to \$2 per license. The \$2 surcharge is added to the following licenses:

- resident and nonresident deer
- resident and nonresident elk
- resident and nonresident Class A bear licenses
- resident and nonresident Class B bear licenses
- resident and nonresident archer
- resident and nonresident turkey
- resident and nonresident annual small game
- resident and nonresident sports
- nonresident five-day small game
- nonresident fur-bearing animal hunting

A \$4 surcharge is included for resident and nonresident conservation patron licenses. The wildlife damage surcharge generated approximately \$2,350,900 in 2007-08.

Also, revenue from the \$12 (\$20 nonresident) bonus deer permit is used to fund wildlife damage programs. Resident and nonresident bonus deer permits generated \$445,700 during 2007-08, for total wildlife damage revenues of approximately \$2.8 million.

Handling Fees. In addition to the statutory fees charged for hunting and fishing licenses, DNR may collect a handling fee for the approvals that the Department itself issues. The fee cannot be more than the amounts necessary to cover the costs of issuing the licenses. The Department currently charges a \$3 handling fee for licenses ordered with a credit card by phone, over the internet, or by mail from the DNR Madison office (all licensing agents may also charge, and retain, the \$3 fee for credit card purchases).

ALIS Transaction Fees. DNR is statutorily required to pay each license sales agent 50¢ for each transaction processed through the statewide Automated License Issuance System (ALIS). The Department treats this as a reduction to revenues.

Tribal Gaming Revenue Transfer. An additional source of revenue to the fish and wildlife account began in 1999-00 with an annual transfer of \$2.5 million from tribal gaming compact revenues. This revenue is not statutorily designated for a specific purpose. The amount was increased to \$3 million annually beginning in 2003-04.

Table 2 lists fish and wildlife account revenue in the 2007-09 biennium.

Expenditures

General Account Expenditures. Fish and wildlife account revenues that are not statutorily designated for specific purposes are used to support the fish and wildlife management and law enforcement functions of the Department.

Fish Management. The Bureau of Fisheries Management and Habitat Protection undertakes

Table 2: Fish and Wildlife Account Revenue

Revenue Sources	2007-08 <u>Actual</u>	2008-09 <u>Estimate</u>	2007-08 <u>% of Total</u>
Resident Hunting Licenses	\$20,335,800	\$20,225,500	26.8%
Nonresident Hunting Licenses	7,642,900	7,650,000	10.1
Duplicate Hunting	53,500	54,000	0.1
Hunting Stamps	1,404,800	1,440,000	1.8
Resident Fishing Licenses	13,810,800	13,980,300	18.2
Nonresident Fishing Licenses	10,023,100	10,317,800	13.2
Daily/Two-Day Great Lakes	704,300	704,300	0.9
Duplicate Fishing	79,900	79,900	0.1
Fishing Stamps	2,862,300	2,982,300	3.8
Combination Licenses	11,384,100	11,150,000	15.0
Permit Application Fee	970,000	970,000	1.3
Other Licenses and Permits	341,100	420,100	0.4
Timber Sales	2,993,900	3,500,000	3.9
Handling Fees	273,100	200,000	0.4
ALIS Transaction Fees	-1,225,400	-1,303,900	-1.6
Tribal Gaming Transfer	3,000,000	3,000,000	3.9
All Other Revenues	<u>1,306,700</u>	<u>1,282,200</u>	<u>1.7</u>
Total	\$75,960,900	\$76,652,500	100.0%

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.

Fish propagation and stocking involves raising and distributing fish to enhance fishing in areas where natural reproduction is insufficient. This function utilizes eight cold-water (trout and salmon) facilities, three warm-water facilities (primarily for walleye, muskellunge and bass), three 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 located throughout the state. During fiscal year 2007-08, DNR estimates it stocked inland streams and the Great Lakes with 5.6 million cold-water fish. In addition, inland lakes were stocked with approxi-

mately 2.1 million warm-water fish. The Department did not stock any fry (newly-hatched fish, the youngest class) in fiscal year 2008 due to the discovery of viral hemorrhagic septicemia, a deadly fish virus, in the Lake Winnebago system (the virus has not been found to be a threat to humans). Fish stocks larger than fry (such as fingerling, yearling, and adult) included approximately 2 million wall-eye, 137,600 northern pike, 54,200 muskellunge, and 200 lake sturgeon. The Department's fish propagation facilities are identified in Table 3.

Table 3: Wisconsin's Fish Propagation Facilities

	County	Brood Stock	Hatching Facilities	Fish Rearing
Cold-Water Facilities				
Les Voigt	Bayfield		x	x
Brule River	Douglas			x
Lakewood	Oconto			x
Langlade	Langlade			x
Nevin	Dane	x	x	x
Osceola	Polk	x	x	x
St. Croix Falls	Polk	x	x	x
Thunder River	Marinette			x
Warm-Water Facilities				
Oehmcke	Oneida		x	x
Thompson	Washburn		x	x
Western District	Various		x	x
Dual-Purpose Facilities				
Kettle Moraine Springs	Sheboygan	x	x	x
Lake Mills	Jefferson		x	x
Wild Rose	Waushara	x	x	x
Spawning Facilities				
Besadny	Kewaunee	<i>feral trout & salmon egg collection</i>		
Root River	Racine			
Strawberry Creek	Door			

Law Enforcement. DNR's responsibilities include the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles, environmental protection, water regulation, and shoreland zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation. Conservation wardens share responsibilities with park superintendents and forest rangers for public conduct on state lands. When requested, wardens may assist local police and are authorized to respond when

any crime is committed in their presence.

In 2007-08, DNR's wardens recorded 261,100 hours for enforcement work related to public safety and fish and game. These activities include enforcement of hunting and fishing regulations, hunter education programs, commercial fish and game activities, treaty enforcement issues, and car-killed deer contracts. In 2007-08, 6,791 citations were issued for violations related to hunting, fishing, and trapping laws.

Wildlife Management. The Bureau of Wildlife Management works to protect and manage the wildlife populations and habitats of the state and promotes wildlife appreciation and recreational opportunities. Wildlife biologists and technicians manage and regulate various species, including deer, bear, geese, turkey, and waterfowl. Wildlife personnel also assist in the management of wildlife on private lands and take part in wildlife-related educational efforts. Urban wildlife, captive wildlife, and wildlife rehabilitation issues are also handled by the Bureau.

DNR also operates the state game farm at Poynette, which raised approximately 58,260 game farm birds for stocking on public hunting grounds in 2007. Of the revenue generated by the sale of the pheasant stamp, beginning March 1, 2006, 60% is statutorily designated to be used for pheasant stocking and propagation and 40% for wild pheasant restoration. In 2007, the state provided approximately 45,900 day-old rooster chicks to 44 conservation and sports clubs in 24 counties under cooperative agreements. The wild pheasant restoration program revenues are used to develop, manage, restore, and maintain the wild pheasant population in the state.

In 2000, in an effort to more effectively manage the state's growing white-tail deer population, the Department, together with the Conservation Congress (a non-profit conservation organization), undertook an extensive public input initiative called "Deer 2000 and Beyond". The purpose of this initiative was to generate public input, which would

guide DNR's budget recommendations for changes in hunting seasons, determinations of quotas, and regulation of hunting practices (such as baiting and feeding). Although many of the recommendations were not implemented due, in part, to the discovery of CWD in 2002, one of the major recommendations was that DNR commission an audit of the Department's sex-age-kill (SAK) deer population estimate model.

In 2006, a group of nationally recognized statisticians, scientists, and big game experts conducted such an audit. The audit used computer simulations, demographic modeling, literature reviews, and surveys to evaluate the sex-age-kill model of estimating deer populations as applied in Wisconsin. The final report concluded that Wisconsin's deer management program is the most comprehensive out of 21 other states surveyed-- Wisconsin collects the most demographic deer information on an annual basis. Further, the audit found several positive results of using the sex-age-kill model in Wisconsin: (a) the model is reasonably effective at estimating the deer population immediately prior to the upcoming hunting season; (b) the model is not very sensitive to changes in the female deer harvest (meaning the estimate remains accurate despite changes in the female deer harvest); (c) when the population does not increase or decrease in size and the distribution of deer ages is stable, there is only minor bias in the overall population estimates. However, the audit also found that the SAK model appears to be very sensitive to sudden changes in the male harvest rate. The audit noted that this means the SAK estimates would be particularly responsive to changes in deer hunting regulations that would affect the male harvest rate (for example, earn-a-buck). The audit made several recommendations regarding DNR's SAK population estimates including: (a) the buck recovery rate (proportion of adult male mortality due to harvest) should be estimated through field studies involving radiotelemetry studies under diverse deer densities, hunter density, number of days hunted, percentage of land accessible to hunters, and weather conditions prior to and during the hunting season;

and (b) SAK deer population estimates should not be reported as density; instead, deer abundance should be reported as total numbers. The audit reviewed seven alternative methods to the SAK model and found that six of the methods were unlikely to provide more accurate estimates than the SAK model. The report recommended that the statistical age-at-harvest approach could be useful for estimating deer population in Wisconsin, but that the SAK model does provide a cost-effective method for population estimation.

Car-Killed Deer. The state appropriated \$1,029,200 in 2008-09 to contract for the removal and disposal of car-killed deer from state highways. Beginning with 1997 Act 27, 50% of these funds are from the fish and wildlife account and 50% are from GPR. In 2007-08, DNR spent \$398,600 fish and wildlife SEG on its contracts to remove approximately 28,500 car-killed deer.

County Conservation Aids. Under this program, counties and tribal governing bodies may apply for grants of up to 50% of the costs of county fish and game management projects. Eligible game projects include game food seeding, browse improvement cutting, prescribed burning, and the creation of game cover brush piles, impoundments and nature trails. Examples of eligible fish management projects include lake and stream improvements, rough fish control, construction of fish shelters, and streamside fencing. Funding of \$150,000 is provided annually.

Dedicated Account Expenditures. Dedicated revenues support habitat and monitoring efforts for particular species, wildlife damage programs and license handling and issuance.

Wildlife Damage Programs. Prior to 1999, revenue from the wildlife damage surcharge and bonus deer permits 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 pro-

gram. 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 to abate deer damage. These costs are to be paid after other wildlife damage program expenditures. DNR is directed to prorate payments if available funding is not available to fully reimburse counties. \$615,000 annually is appropriated for this purpose. As of December, 2008, approximately 235,000 pounds of meat was donated to food pantries in 55 counties from 5,194 deer harvested during the fall of 2008 (compared to 414,000 pounds from 9,200 deer the previous fall).

Under 2001 Act 16, a donation program was created, allowing 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 donation program. In 2007-08, approximately 6,000 people donated nearly \$17,000 for this purpose.

Wildlife Damage Claims and Abatement Programs. These programs provide landowners in participating counties with financial assistance to implement projects to reduce crop damage and partially reimburse losses incurred from crop damage. Counties may participate in the wildlife damage abatement program, which emphasizes damage prevention but provides no payments for damages incurred, or they may participate in both the wildlife damage abatement and the wildlife damage claims programs. Counties may also decide not to administer either program.

Under these programs, DNR assists participating counties in developing and reviewing administrative plans. The state fully funds DNR-approved county administrative costs. Approved abatement projects are eligible for state funding of up to 75% of costs, with the remaining share paid by the landowner. Landowners in counties that administer both the abatement and damage claims programs are eligible to file claims for damage to agri-

cultural crops, harvested crops, orchard trees, nursery stock, beehives or livestock if the damage is caused by deer, bear, geese or turkey. Elk damage is also eligible for compensation under the program. However, no claims related to elk damage have been filed as of January, 2009. Damage caused by sandhill cranes would also be statutorily included, if a hunting season were established.

Each claim is subject to a \$250 deductible. A claimant is paid 100 percent of the first \$5,000 above the deductible. If a claim is greater than \$5,250, a person can receive 80 percent of the amount of the claim, with the total amount paid not to exceed \$15,000 per claim. If the total amount of damage claimed is greater than available revenue after paying for administration and abatement, the Department prorates claim payments.

A person receiving wildlife damage claim payment is required to permit hunting of the type of wild animals causing the damage on that land during the appropriate open hunting season. However, a hunter must first notify the landowner of his or her intent to hunt on the land, and a landowner may deny a hunter access to land for reasonable cause related to certain safety and property-related concerns. In addition, a landowner may deny a hunter access if at least two hunters per 40 acres of eligible land are present on the land when the hunter notifies the landowner that he or she intends to hunt on the land.

Prior to 2005 Act 82, persons receiving abatement assistance were required to follow the same standards allowing hunting as wildlife damage claim recipients. However, under the act, a person who receives wildlife damage abatement assistance is not required to open their land to hunting if they are issued a shooting permit for deer causing damage; that permit is the only abatement measure the person receives; and, the person waives any eligibility to receive a wildlife damage claim payment for damage caused by deer.

In calendar year 2007, 70 counties participated in the programs. During that year, approximately \$958,800 was expended for county administrative

costs, \$432,900 for abatement projects, and \$1,540,400 for damage claims. In fiscal year 2007-08, DNR spent \$246,100 for the control of wild animals (from the wildlife management appropriation) and \$460,700 for costs associated with processing venison (\$42,600 from venison processing donation funds and \$418,100 from wildlife management). Expenditures were made from the wildlife management appropriation so that wildlife damage claims could be paid in full.

Control of Wild Animals. The surcharge revenue is also used for the Department's costs of removing wild animals that cause damage, and responding to complaints about wild animals, or their structures, which are causing a nuisance.

Further, 2005 Act 287 directs the Department to, in cooperation with federal agencies, administer a program to control and manage double-crested cormorants (nesting primarily in Green Bay) in order to reduce wildlife damage caused by these birds. No appropriation specifically for this purpose was made by the act.

Urban Wildlife Abatement and Control Grants. Urban communities can apply to DNR for matching grants of up to \$5,000 for planning wildlife abatement projects and for wildlife control efforts. The program provides up to 50% of project costs and is funded at \$25,000 annually.

Chronic Wasting Disease (CWD) Management. Between 1999 and 2001, DNR tested over 1,000 deer throughout the state for CWD. However, no positive samples were identified prior to the 2001 gun deer season. In that year, three bucks harvested from deer management unit 70A (which includes portions of Dane and Iowa Counties) tested positive for the disease. Out of approximately 146,300 samples from wild white-tailed deer as of December, 2008, 1,020 have tested CWD positive. CWD disease surveillance has been continuously conducted since 2002 in southern portions of the state, as well as periodically statewide. CWD has been found in 12 southern Wisconsin

counties, and the current CWD management zone encompasses all the known locations of CWD test-positive free ranging deer.

One-time funding of \$3,344,000 in 2002-03 was provided from the available balance of the wildlife damage program for efforts relating to CWD management in the state deer herd. An additional \$1,000,000 was provided in 2002-03 from the recycling fund under provisions of 2001 Act 108. Funds were provided for herd monitoring and sampling, law enforcement and wildlife management staff costs, equipment, supplies, travel, education efforts, limited-term employees and overtime costs as well as for a veterinarian, public information officer, and data manager position. In addition, DNR was directed to provide funds to the Wisconsin veterinary diagnostic lab (WVDL) for CWD testing and could provide DATCP with funds to buy-out captive deer herds for CWD testing, support DATCP CWD-related staff, and to publicize CWD control efforts to deer farmers and processors. Under 2003 Act 33, funding of \$1,954,700 was provided in 2003-04 (\$1,594,700 from the wildlife damage revenue appropriation and \$360,000 FED) and \$1,465,800 was provided in 2004-05 (also from wildlife damage). Under 2005 Act 25, ongoing funding of \$1,476,000 was provided annually for CWD control efforts (1,076,000 from wildlife damage and 400,000 from general fish and wildlife SEG). 2007 Act 20 deleted wildlife damage funding for CWD and specified that the \$400,000 provided from general fish and wildlife SEG be one-time in the 2007-09 biennium. Therefore, no fish and wildlife SEG will be specifically appropriated for CWD management beginning in 2009-10.

2005 Act 286 allows DNR to promulgate rules regarding the transportation and disposal of deer carcasses in order to control the spread of Chronic Wasting Disease (CWD). The Act also allows DNR and the Department of Agriculture Trade and Consumer Protection (DATCP) to enter into agreements with landfills, meat processing facilities, or wastewater treatment facilities to indemnify them for damages resulting from the

processing or disposal of cervids carrying CWD. A sum sufficient GPR appropriation is created to pay indemnities. The act also requires individuals to provide DNR with a tissue sample of an animal if that sample is needed to determine the extent of a disease in wild animals. Further, the Act allows DNR to exempt deer hunters in CWD zones from the requirement to have a valid deer hunting license. In November, 2007, the Dane County Board approved an indemnification agreement and contract that allows DNR to place untested deer carcasses from the CWD zone in a county landfill. No other indemnification agreements have been entered into by the Department.

In November, 2006, the Legislative Audit Bureau (LAB) released a report regarding the efforts to eradicate Chronic Wasting Disease (CWD) in Wisconsin. The audit found that, of the \$32.3 million spent by state agencies through June 30, 2006 to address CWD, \$20.1 million, or 62%, has been provided from the fish and wildlife account of the conservation fund. The report concluded that DNR's efforts to eradicate CWD have not been effective. Specifically, the Audit Bureau noted that the number of deer killed in CWD zones has declined, the CWD infection rate has not declined in the DNR established "core area" (a 210 square mile area in the western disease eradication zone where the majority of infected deer have been found); and, the estimated post-hunt number of deer in CWD zones has increased.

The LAB also reported that the number of CWD tests being performed by the UW Veterinary Diagnostic Laboratory and the time required to report test results had increased. The LAB recommended that the Diagnostic Laboratory and DNR report to the Joint Legislative Audit Committee by April 15, 2007, on several CWD related items including: the time required to notify hunters of CWD test results for the 2006 hunting season, how changes in hunting rules in CWD zones affected the number of deer killed in these zones during the 2006 hunting season; whether testing performed on deer from the 2006 hunting

season indicates any changes in the spread of CWD; and plans to improve communication with hunters and strategies to be used to reduce CWD-related costs. The Department submitted such a report in April, 2007. In response to the audit the report included the following: (a) the time required to notify hunters of CWD test results decreased from 2002 to 2006; (b) the adoption of an either sex hunt in 2006 rather than an earn-a-buck season resulted in a decrease in the number of antlerless deer killed during the 2006 season; (c) DNR sharpshooting and trapping efforts were more successful in 2006 (more deer killed in less time) [Sharpshooting efforts resulted in 978 deer shot in the CWD zones from January through March, 2007; of which 26 deer tested positive for CWD]; and, (d) no positive CWD test results have been found outside the CWD zones (in wild deer populations).

Further, to increase communication between the Department and hunters, DNR brought together a group of 17 people including landowners, hunters, representatives of hunting and conservation organizations and food pantry programs, and one DNR staff member to offer recommendations regarding future CWD management practices for consideration by DNR and the Natural Resources Board. Each member of this group, known as the CWD Stakeholder Advisory Group (SAG), was responsible for creating opportunities for public involvement through their social and business networks. Many members wrote articles or contributed to websites. In addition, all of the SAG meetings were open to the public. The group made several strategic recommendations for the management of CWD including: recognize that CWD management is a statewide issue, expand the food pantry program statewide; continue to incorporate private and public concerns in policy decisions; promote wider use of venison; and study and formulate programs that will assist Wisconsin citizens in coping with CWD and disease management. In addition, the group made several recommendations regarding the hunting season structure in the CWD zone, including: a one-year reprieve from earn-a-buck requirements in the zone; eliminate the

October gun season except the October youth hunt; and create a holiday hunt. Some of these recommendations (such as the holiday hunt) were incorporated into the 2008 hunting season structure.

In November, 2008, DNR released a draft report detailing the Department's plan for managing CWD in Wisconsin for the next 10 years. According to the report, DNR plans to use the 2008 deer hunting structure as the basic season structure for the following 10 years. DNR has concluded that the Department must accept a CWD endemic area in southern Wisconsin and focus CWD control efforts on limiting CWD to that area of the state. This represents a departure from the Department's initial goal of complete eradication of CWD from Wisconsin.

The Department's key objectives of its CWD 10-year management plan include the following: (a) prevent new introductions of CWD; (b) respond to new disease locations; (c) control distribution and intensity of CWD; (d) increase public recognition and understanding of CWD risks; (e) address the needs of DNR customers; and (f) enhance the scientific information about CWD. In addition to implementing the 2008 season structure as the basic season structure, the management plan includes a number of other specific management and monitoring actions DNR plans to take to meet these objectives including: issuing landowner hunting permits in the CWD management zone that are valid from the close of the regular hunting season until March 31; conducting focused sharpshooting on public and private lands where permission can be obtained in areas of disease clusters along the edge of the known CWD distribution; ensuring hunters have the option of having their deer tested for CWD in areas where CWD is most prevalent; cooperating with food pantries and meat processors in the CWD management zone to provide hunters with options for donating deer; pursuing a statewide ban on the feeding and baiting of deer to reduce the risk of transmission of CWD or other diseases; and conducting surveillance outside the CWD management zone every five years through-

out the state to detect new disease locations. In addition, the Department plans to work jointly with DATCP to pursue federal funding, reduce the number of animals escaping from captive cervid farms, increase compliance with monitoring, testing, record keeping, and cervid movement regulations, and expeditiously depopulate cervid farms containing CWD-positive animals.

Education and Safety and Trapper Education.

The Department is required to establish hunter education and bow hunter education courses. Both courses provide instruction to students in the responsibilities of hunters to: (1) wildlife, the environment, landowners, and others; (2) how to recognize threatened and endangered species; and (3) the principles of wildlife management and conservation. Under 2001 Act 16, the student fee requirement for both bow and gun hunter safety courses was eliminated. However, 2005 Act 25 restored the fee (currently set at \$10 by administrative rule) and specified that instructors would be allowed to retain up to \$5 per student for costs associated with offering the class and remit the remaining fees to DNR (to be deposited in the fish and wildlife account of the conservation fund; the boat registration account, ATV account, and snowmobile accounts also are allocated a portion of this appropriation corresponding to the revenue from safety course fees in those areas). The hunter education program addresses safety in handling firearms and bows used in hunting, while the bow hunter education program covers only hunting with bows and arrows. With certain exceptions, no person born on or after January 1, 1973, can obtain a hunting license unless the person is issued a certificate of accomplishment from the appropriate program. In fiscal year 2008, 27,238 students successfully completed a hunter education course, and another 2,943 students completed a bow hunter education course. In addition, the Department is required to establish a trapper education program. The trapper education course provides instruction in: trapping history in wildlife conservation; principles of wildlife management; furbearer management; biology and disease; trapping laws and eth-

ics; trap preparation, adjustment setting and safety; humane trapping methods; and pelt preparation, skinning, grading, and marketing. Under current law, instructors may retain up to 50% of the instruction fee set by DNR in administrative rule (currently \$12 per student) and remit the remaining portion of the fee to DNR. In calendar year 2007, 1,412 students completed a trapper education course.

Commercial Fish Propagation and Great Lakes Protection Surcharge. 2005 Act 288 created a commercial fish protection surcharge where, if a court imposes a fine or forfeiture for the unlawful killing, catching, taking, transporting, sale or possession of Great Lakes fish in violation of s.29.971 of the statutes, the court may impose a commercial fish protection surcharge in the following amount: (a) for any commercial fish, as determined by DNR, an amount equal to the average wholesale value of the fish on the date of the violation; or (b) for salmon, trout, and noncommercial game fish, an amount equal to the corresponding wild animal protection surcharge under s. 29.983 of the statutes (the amount ranges from \$8.75 to \$43.75 depending on the species of fish). In addition, the act created a Great Lakes resource surcharge where, if a court imposes a fine or forfeiture for a violation of s. 29.503 involving Great Lakes fish or a violation of s. 29.514 or 29.519 involving sport trolling or commercial fishing in outlying waters, the court shall impose a Great Lakes resource surcharge equal to 75 percent of the amount of the fine or forfeiture. Revenue from these surcharges is directed to an appropriation in the fish and wildlife account of the conservation fund to be used for research relating to Great lakes fish.

Stamp-Funded Programs. All of the money from the sale of turkey stamps is statutorily required to be used for developing, managing, preserving, restoring and maintaining the wild turkey population in the state.

Beginning March 1, 2006, 40% of the revenues generated by the sale of pheasant stamps must be used for developing, managing, preserving, restoring,

and maintaining the wild pheasant population in the state, and 60% is used to raise and stock pheasants on DNR lands.

Two-thirds of the revenue from the waterfowl stamp is to be used for developing, managing, preserving, restoring, and maintaining Wisconsin wetland habitat for producing waterfowl; the other third is contributed to governmental or nonprofit agencies in Canada for the propagation, management, and control of migratory waterfowl for the Mississippi flyway.

Funds from the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. In addition to stamp revenue, 2005 Act 25 specifies that one-half of the revenues generated by the sale of the inland lake trout fishing license be used for improving and maintaining trout habitat in inland waters, and for conducting trout surveys. Revenue from the Great Lakes trout and salmon stamp can be used to supplement and enhance the existing trout and salmon rearing and stocking program in outlying waters.

ALIS Contract Fees. DNR contracts with a third party (currently Central Bank Trust) to operate the statewide automated license system. Under the contract, DNR pays 83¢ to Central Bank Trust for each license sold. Prior to 2007 Act 20, license fee revenues were deposited into the conservation fund, and the contract payments were made to Central Bank Trust from an appropriation related to general operations of the Customer Assistance and Employee Services Division. The act created a continuing appropriation in the fish and wildlife account into which the contract fee for each license sold that is owed to the ALIS operator is deposited. The ALIS operator (Central Bank Trust) is then paid the amounts due under the contract from this appropriation.

Table 4 lists the major expenditure categories funded by the fish and wildlife account and identifies 2007-08 actual expenditures and the amounts appropriated for 2008-09 for each of these

Table 4: Fish and Wildlife Account Expenditures

Expenditure Categories	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
Fish and Wildlife Program Appropriations				
Law Enforcement	\$17,715,400	\$17,171,000	21.67%	137.88
Fish Management	17,075,300	16,986,200	20.88	187.93
Wildlife Management	12,863,300	12,814,400	15.73	126.07
Car-Killed Deer	398,600	514,600	0.49	0.00
County Conservation Aids	192,000	150,000	0.23	0.00
Dedicated Revenue Appropriations				
<i>Wildlife Damage Programs</i>				
Wildlife Damage Claims and Abatement Program	\$2,530,600	\$3,675,000	3.10%	0.00
Control of Wild Animals	0	246,200	0.00	2.00
Urban Wildlife Abatement and Control Grants	20,800	25,000	0.03	0.00
Venison Processing	0	600,000	0.00	0.00
Venison Processing (from donations)	42,600	15,000	0.05	0.00
Chronic Wasting Disease Management	77,100	0	0.09	0.00
Education and Safety	131,800	204,100	0.16	0.00
Trapper Education	48,600	49,000	0.06	0.00
Commercial Fish Propagation and Great Lakes Surcharge	0	5,600	0.00	0.00
<i>Stamp-Funded Programs:</i>				
Trout Habitat Improvement	\$1,586,800	\$1,280,600	1.94%	9.34
Great Lakes Trout and Salmon	3,643,800	1,278,300	4.46	4.50
Sturgeon Habitat	191,400	136,600	0.23	0.00
Sturgeon Habitat- Inland Waters	82,400	137,300	0.10	0.00
Wild Pheasant Restoration	313,000	203,800	0.38	0.00
Pheasant Stocking	291,000	270,000	0.36	3.00
Wetlands Habitat Improvement	792,900	343,400	0.97	0.00
Wild Turkey Restoration	1,322,900	762,400	1.62	0.00
Canadian Agencies Migratory Waterfowl Aids	188,000	169,200	0.23	0.00
<i>Other</i>				
ALIS Contract Fees	\$1,284,800	\$2,892,000	1.57%	0.00
Miscellaneous	190,500	259,200	0.23	
Split-Funded Appropriations				
Administration and Technology Services	\$5,179,900	\$5,431,800	6.34%	47.99
Customer Assistance and Licensing	7,093,500	5,828,400	8.68	69.98
Enforcement and Science Management	450,200	544,600	0.55	4.46
Land Program Management	418,200	396,700	0.41	3.37
Water Program Management	13,400	16,900	0.02	0.00
Bureau of Facilities and Lands	3,506,200	3,712,100	4.29	35.52
Bureau of Science Services	1,127,600	1,517,700	1.38	12.27
Bureau of Endangered Resources	436,500	472,300	0.53	4.87
Administrative Facility Repair and Debt Service	1,151,300	1,409,700	1.41	0.00
Aids in Lieu of Taxes	302,800	304,000	0.37	0.00
Resource Acquisition and Development	431,300	421,500	0.53	0.00
Rent and Property Maintenance	306,500	4,600	0.37	0.00
Taxes and Assessments	88,900	144,000	0.11	0.00
Handling Fees	273,100	84,100	0.33	0.00
Total	\$81,489,900	\$80,477,300	100.00%	649.18

categories.

Administrative Funding Limit. Beginning in 1999-00 DNR is prohibited from expending more than 16% of funding from the fish and wildlife account in any fiscal year for administrative purposes. The 16% limit is statutorily defined to include DNR administrative and support services as well as division administration.

In June, 2006, the Legislative Audit Bureau released an audit concerning DNR fish and wildlife funding. The report analyzed revenues, expenditures, and staffing levels for DNR's fish and wildlife related activities in 2004-05. The LAB found that DNR's statutorily defined administrative costs were 11.1% in 2004-05, below the 16% limit (the statutory calculation of administrative costs does not include bureau administration and licensing costs). They also found that user fees funded \$68.2 million (56.7%) of DNR's total \$120.2 million in fish and wildlife expenditures. Other revenues included federal funds, bonding, GPR and program revenues. Further, the LAB found that 97.6% of user fee-funded expenditures provided some benefit to hunters and anglers. Of total fish and wildlife spending in 2004-05, 52.7% supported resource management and education, and 30.4% supported habitat development and land acquisition. The LAB recommended that the Department limit the use of generalized time accounting codes to track staff time, and increase project-planning efforts.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Forestry Account

Revenue

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving

and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). This tax is frequently referred to as the "forestry mill tax" and is the only property tax levied by the state. The rate of the mill tax, which is established in statute, was set at 0.2 mill in 1937 and did not change until 2005.

Revenue to the forestry account of the conservation fund from the mill tax increased an average 7.4% per year from 1970-71 to 2004-05. 2005 Act 25 limited the forestry mill tax levy to an annual increase of no more than 2.6% for the next three years. The act also specifies that the mill rate determined by the Department of Revenue for the property tax assessment as of January 1, 2007 (mill tax revenue received in the forestry account in 2007-08), would be the rate of the tax imposed for all subsequent years. The rate is now 0.1697 (16.97¢ per \$1,000 of property value).

The tax is collected with other property taxes on a calendar-year basis and is calculated by using each county's total equalized property value, as determined by the Department of Revenue, for the previous year. For 2007-08, the tax generated \$84.5 million, which is 81% of the total revenue that was credited to the forestry account in that fiscal year. Statutorily, at least 12% of the revenue generated by the tax must be used to acquire and develop forests within a sixteen-county region southeast of a line running generally from Rock to Outagamie to Manitowoc Counties.

Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively-managed county forests and on privately-owned land entered under the forest crop law and managed forest law programs; (e) closed acre fees under the managed forest law program; and (f) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state

forests at no additional charge as part of the license.

The 2005-07 budget directed DNR to prioritize reducing the backlog of incomplete timber harvests (approximately 170,000 acres) and forest inventory work on state-owned land. Further, 2005 Act 166 required DNR to set annual allowable timber harvest goals for all forested state properties, and to report biennially (by January 1 of each odd-numbered year) on its progress in meeting the goals. As of December, 2008, DNR estimates the backlog of incomplete timber harvests at approximately 60,000 acres.

Table 5 lists the revenue to the forestry account in the 2007-09 biennium.

Table 5: Forestry Account Revenue

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total
Mill Tax	\$84,529,264	\$87,295,700	81.3%
Timber Sales	5,627,301	6,500,000	5.4
Nurseries	2,065,065	2,700,000	2.0
Forest Tax Law	3,629,057	3,700,000	3.5
Campsite Fees	1,861,018	1,900,000	1.8
Admission Stickers	2,369,116	2,500,000	2.3
Sales and Services	494,681	250,000	0.5
Patron Transfer	297,608	300,000	0.3
All Other	<u>3,101,776</u>	<u>2,650,000</u>	<u>3.0</u>
Total	\$103,974,888	\$107,795,700	100.0%

Expenditures

Forestry account revenues are used to fund several forestry programs and related administrative activities. 1999 Act 9 created a Division of Forestry within DNR (previously Forestry had been a bureau within the Land Division).

State Forest Operations. The DNR is statutorily required to practice "sustainable forestry" and use it to assure state forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality,

production of recurring forest products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics.

In 2003, the Governor directed DNR to explore forestry certification in response to a growing demand for certified wood from purchasers of Wisconsin timber products. Forest certification is a process in which a forest landowner undergoes an audit of their forest practices by a third party. If the third party determines that the landowner's forest practices meet the third party's definition of long-term sustainability, then that party will "certify" that the forest is well managed. Wood products originating from that forest can be marketed as having been grown and harvested in a "sustainable" manner, which provides biological, social, and economic benefits. In 2004, 517,700 acres of State Forests were dual-certified by the Sustainable Forest Initiative (SFI) and the Forest Stewardship Council (FSC). Third party auditors conduct annual reviews of these forests. Approximately 2.4 million acres of County Forests were also certified in 2004 by the SFI program (expires in December, 2009) and in 2005 by the FSC program (expires in March, 2010). Additionally, 2 million acres of private forest lands enrolled under the managed forest law (MFL) program have received American Tree Farm certification and FSC certification.

In July 2007, DNR began a scoping assessment and audit to evaluate the practicality of adding an additional one million acres in DNR-owned forested lands to the State Forest certification. The final audit concluded in summer 2008. The audit recommended that DNR pursue certification of all DNR land by the Sustainable Forest Initiative (SFI) and the Forest Stewardship Council (FSC). Under 2005 Act 25, \$483,100 is provided annually to acquire and maintain sustainable forest certification for state and county forests and for private forest land enrolled under the MFL program. Funds are provided for registration and audit requirements (\$83,100), continuous monitoring to maintain certification (\$300,000) and to adequately maintain trails and logging roads (\$100,000).

The Department operates state forests under two separate administrative structures. Northern state forest properties are operated by DNR's forestry staff in a manner that generally focuses on the enhancement of their timber resources but also emphasizes recreational use. The seven southern forest properties are operated by state parks personnel and managed in a manner that gives priority to their recreational value.

Table 6 identifies the eight largest northern forest properties and all southern state forests and the acreage of these properties as of December 1, 2008.

Table 6: Wisconsin's State Forests

	Counties	Acreage
Northern Forests		
Northern Highland	Iron, Vilas	170,533
Flambeau River	Ashland, Price, Rusk, Sawyer	90,281
Black River	Jackson	67,906
American Legion	Oneida, Vilas	56,985
Brule River	Douglas	47,046
Governor Knowles	Burnett, Polk	20,403
Peshigo River	Marinette, Oconto	11,643
Coulee Experimental Forest	La Crosse	<u>2,972</u>
Subtotal Northern Forests		467,769
Southern Forests		
Kettle Moraine-Northern Unit	Fond du Lac, Sheboygan, Washington	29,681
Kettle Moraine-Southern Unit	Jefferson, Walworth, Waukesha	21,349
Point Beach	Manitowoc	2,903
Kettle Moraine-Loew Lake	Washington	1,086
Kettle Moraine-Lapham Peak	Waukesha	1,006
Kettle Moraine-Pike Lake	Washington	678
Kettle Moraine-Mukwonago River	Walworth, Waukesha	970
Havenwood Forest Preserve	Milwaukee	<u>237</u>
Subtotal Southern Forests		57,910
*Other Properties		2,946
Total		528,625

*Other properties include demonstration forests, nurseries, state owned islands, and the sustainable forest education center.

In addition to the state-owned forests, DNR has purchased conservation easements on 56,394 acres of private forest land under the Forest Legacy Project. As part of the 1990 Farm Bill, Congress created the Forest Legacy Project to identify and protect environmentally important private forestlands

threatened with conversion to non-forest uses - such as subdivision for residential or commercial development. To help maintain the integrity and traditional uses of private forest-lands, the Forest Legacy Program promotes the use of conservation easements. Under a conservation easement, development rights may be purchased from landowners to prevent development and subdivision, to require specific land practices (such as maintaining certain parcels as productive forest land), and to ensure public recreational access. Generally, easements are purchased in perpetuity and remain attached to the deed regardless of any change in the property's ownership. As part of the Wild Rivers and Forest Legacy project, DNR plans to apply for federal forest legacy funding to acquire conservation easements on 14,000 acres (in addition to the 44,400 acres acquired in 2006 with state funds). As of September, 2008, the Department had acquired an easement on approximately 7,300 of the 14,000 acres and expects to receive \$2.3 million in federal funds for the purchase (DNR paid \$3,215,000 to acquire the easement). The Department plans to acquire the remaining acres in 2009 and would again apply for federal funds if available.

The Department operates three tree nurseries (Hayward, Boscobel and Wisconsin Rapids) which produce and distribute seedlings (trees and wild-life shrubs) used for reforestation and conservation purposes. Each year, the nursery distributes between 14 million and 20 million seedlings. Nursery stock is sold at prices that reflect costs to administer the forest nursery program and, with the exception of seedlings distributed to pupils for Arbor Day activities, may not be used for ornamental or landscaping purposes. The surcharge on the sale of nursery stock was increased from 2¢ to 3¢ per seedling beginning in 2002-03. Proceeds from the surcharge are dedicated to forestry public education and awareness programs, and divided evenly between an appropriation supporting a DNR contract with the University of Wisconsin - Stevens Point for the development of a kindergarten through twelfth grade forestry education curriculum and an appropriation that supports public education and forestry awareness efforts.

The Department has broad authority in the prevention, detection and suppression of forest fires. DNR utilizes funding to establish and maintain lookout towers, ranger stations and fire suppression and communications equipment and for fire law education and enforcement activities. The Department's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many southern counties. 2007 Act 20 provided \$690,600 in 2007-08 and \$936,700 in 2008-09 (including \$546,100 in one-time funding) from the forestry account for fire detection and suppression efforts. These funds support emergency LTE firefighters, training, and equipment during the spring fire season. Additionally, funding was provided for master lease payments supporting the purchase of base station radio tower repeaters. Repeaters boost a radio signal and then re-send it allowing the signal to reach a much wider area. The base stations make up the Department's public safety communications network and are used primarily for forest fire detection and control. The forest fire control program also provides cooperative services to towns in those southern counties where wooded lands are more scattered. 2005 Act 25 provided funding from the forestry account of \$184,600 in 2005-06 and \$174,500 beginning in 2006-07 to expand forest-urban interface fire protection services.

Department foresters assist private landowners and county foresters in a variety of management activities, including the development of management plans and marketing strategies and the demonstration of pest control techniques. Of the estimated 16 million acres of forest land in the state, about 68% are privately-owned, while an additional 15% are part of forest properties owned by county and municipal governments.

Section 23.22 of the statutes requires DNR to establish a statewide program to control invasive species and to report annually on the program. The 2007-09 budget provided \$50,000 annually from the forestry account for technology to detect and monitor the emerald ash borer, a non-native insect that

is threatening ash trees in Great Lakes states. In addition to the \$50,000 provided by Act 20, DNR's Division of Forestry has reallocated \$150,000 annually, with a three-quarter time position beginning in 2006-07, from funding provided for gypsy moth control to the emerald ash borer effort. The emerald ash borer was found in southeastern Wisconsin in 2008.

Under 2001 Act 16, \$400,000 was provided on a one-time basis from the forestry account to begin planning for a facility to promote public awareness of sustainable forestry and its benefits. 2005 Act 25, provided \$150,000 in 2005-06 and \$165,000 beginning in 2006-07 from the forestry account to plan for, and begin operating, such a facility on 67 acres of land that the state purchased from Milwaukee County on the former Milwaukee County grounds. The funding has been used to hire a consultant to oversee the project, pursue partnership building and outreach, and begin program development. Groundbreaking for the forestry center is not expected before 2010.

Stewardship Debt Service. 1997 Act 27 provided \$8.7 million in funding from the forestry account in each year of the 1997-99 biennium for payment of principal and interest related to the acquisition and development of state forest and nursery properties under the Warren Knowles-Gaylord Nelson stewardship program. Debt service for the stewardship program had been primarily funded from general purpose revenue (GPR). This provision sunset on June 30, 1999. However, each of the next three biennial budgets allocated from \$3 million to \$10 million forestry SEG each year on a "one-time" basis for stewardship debt service. 2005 Act 25 provided \$14.1 million in 2005-06 and \$13.5 million annually beginning in 2006-07 from the forestry account. Act 25 removed the provision requiring these forestry payments to be on a one-time basis, thereby making the 2006-07 appropriation ongoing. In addition, 2007 Act 5 provided an additional \$10.6 million in 2006-07 (for a total of \$24.1 million) from the forestry account for stewardship debt service payments (\$13.5 million is provided annually beginning in 2007-08).

Aids in Lieu of Property Taxes. Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction (including the county and school district) a proportionate share of the payment, based on its levy. Prior to 2003, aids in lieu payments were made entirely from a sum sufficient, GPR appropriation. However, the 2003-05 biennial budget provided \$1 million in 2003-04 and \$2 million in 2004-05 from the forestry account of the conservation fund for these payments. Statutory language specifies that the first draw for aids in lieu of property tax payments be taken from the forestry account appropriation. The 2005-07 biennial budget act provided \$4,000,000 SEG annually, beginning in 2005-06, from the forestry account for this purpose.

Forest Crop Law and Managed Forest Law Program. The forest crop law (FCL) and the managed forest law (MFL) programs are designed to encourage landowners to manage private forest lands for the production of future forest crops for commercial use through sound forestry practices. Land enrolled under these programs is exempt from property taxes. Instead, landowners make payments to municipalities (which in turn pay a portion to the counties) in amounts determined by the date the land is entered into these programs. The Department distributes state aids to the municipalities in which the land designated as forest crop law and managed forest law is located.

In return for the property tax benefit, property owners with land enrolled in FCL must comply with certain forestry practices and must allow hunting and fishing on all of the designated land. In addition, the landowner pays the town 10¢ per acre for land entered prior to January 1, 1972. On land entered since 1972, owners paid 83¢ per acre through 2002. The rate was adjusted to \$1.66 per

acre for 2003 payments and is adjusted every tenth year thereafter. Certain special classes pay 20¢ per acre. The last FCL order expires in 2035. In addition, DNR receives severance taxes on timber harvested on the land and withdrawal penalties for land taken out of the program under certain conditions. The revenue from the taxes and penalties is divided between the Department and the municipality and county in which the land is located. On January 1, 1986, new entries into FCL were eliminated, although existing FCL orders will remain in effect until their expiration. Landowners with land enrolled in the FCL program may convert their land to the managed forest law program when their FCL order expires. Early conversion into MFL is also available for a non-refundable application fee of \$20.

1985 Act 29 created the managed forest law program to encourage the productive management of private forest lands. Under the MFL program, landowners may enroll a minimum of 10 contiguous acres of productive forest land for a period of 25 or 50 years. To receive an order designating land as MFL, the landowner must submit a forestry management plan to DNR which outlines the landowner's forestry management practices. The plan must be prepared by the Department or by an independent plan writer certified by the Department and must be approved by the Department. The landowner is required to follow the management plan throughout the period of the MFL order. If a landowner fails to follow the management plan, then DNR may withdraw the land from the program, and the landowner is subject to a withdrawal penalty.

Like the forest crop law program, land enrolled under the MFL program is exempt from property taxes. In exchange for this benefit, landowners must make annual acreage share payments to municipalities (which in turn pay 20% to the counties) in amounts determined by the date the land was entered into the program. The initial acreage share payment was 74¢ per acre through 1992, with the rate adjusted in 1992 and every five years thereafter for land enrolled prior to 2004. For land en-

rolled after April 28, 2004, 2003 Act 228 created a separate MFL acreage share payment rate. Under the act, the acreage share payment is equal to 5% of the average statewide property tax per acre of property assessed as productive forest land. The act specified that the rate be initially calculated in 2004 and recalculated in 2007 and every five years thereafter, by the Department of Revenue, using the statewide average equalized value per acre for undeveloped land and the statewide average property tax rate, net of the school levy credit (this tax rate includes taxes levied in towns, villages, and cities, even though most productive forest land is in towns). Current rates (effective January 1, 2008, for payments due January 31, 2009) are 67¢ per acre for lands entered into the program from 1987 through 2004 and \$1.67 per acre for lands entered after 2004. Revenues from these payments are divided between local units of government (80%) and counties (20%). In addition, DNR pays the municipality 20¢ per year for each MFL acre in the municipality, of which the municipality keeps 80% and sends 20% to the county.

Under the MFL program, a landowner has the option of closing a maximum of 160 acres per municipality to public access if an additional fee is paid for each acre closed to public access (2003 Act 228 increased the amount of allowable closed acres from 80 to 160). For each acre of land closed to the public (for land entered after 2004) the additional payment is equal to 20% of the average statewide property tax per acre of property assessed as productive forest land. The fee currently is \$1.67 per acre for lands entered into the program between 1987 and 2004, and \$8.34 per acre for lands entered after 2004. The rates were adjusted in 2007 (using 2006 equalized property values) effective January 1, 2008, and will be adjusted every fifth year thereafter, using a formula that accounts for changes in the average statewide property tax for undeveloped lands. These figures are based on a statewide average equalized value per acre of \$1,927 and a 2006 (payable in 2007) statewide average net tax rate (including taxes levied in towns, villages, and cities) of \$33.34 per \$1,000 of value. Revenues from

closed-acreage payments are deposited as general revenues to the forestry account of the conservation fund.

Land designated as managed forest law is prohibited from being developed for commercial recreation, for industry, or for any other use determined by DNR to be incompatible with the practice of forestry. However, prior to 2007 Act 20, the ability of a landowner to close up to 160 acres of land enrolled in MFL to public had allowed some landowners with large acreages enrolled in MFL to close most of their lands by subdividing ownerships. The landowners then leased the MFL property to individuals willing to pay a fee for hunting on the lands. Act 20 specified that owners of land designated as managed forest law may not enter into a lease or other agreement for consideration (compensation) permitting persons to engage in recreational activities on the land. The act defined recreational activities as hunting, fishing, hiking, sightseeing, cross-country skiing, horseback riding, and rental of cabins. Under the act, this restriction does not apply to reasonable membership fees charged by a non-profit entity if approved by DNR.

In addition to the acreage share and closed acre payments, landowners must pay a yield (severance) tax on timber harvested on MFL land. The municipality retains 80% of the payment and sends 20% to the county. Under prior law, the yield tax of 5% was imposed on the value of all merchantable timber harvested on land enrolled in MFL. Under 2003 Act 228, landowners enrolling in the program on or after April 28, 2004, are exempt from this requirement for the first five years of their MFL agreement. 2003 Act 228 and 2005 Act 64 altered the calculation of the yield tax. The acts provided four mechanisms by which lands that were designated as either managed forest law or forest crop law prior to April 28, 2004, and are renewed or converted to managed forest law can come under a new managed forest law order issued after that date, and excludes those lands from the yield tax exemption.

2003 Act 228 instituted a variety of other changes to the MFL program. The act specifies that the tax on land withdrawn from an expanded order (a landowner may withdraw land from an MFL order and petition DNR to issue a new "expanded" order covering the land under the original order plus additional lands) is based on a new formula which provides a separate calculation for the original and added land under the expanded order to account for the difference in the amount of time each parcel was enrolled and the difference in the amount of acreage share payments required before and after April 28, 2004. Beginning with applications submitted in May, 2004, the act expanded eligibility for participation in MFL to land located in cities in addition to towns and villages. The fee to transfer ownership of MFL land increased from \$20 to \$100 under the act. Finally, a withdrawal fee of \$300 was created, (to be paid in addition to any withdrawal taxes owed to local governments) that is required for removal of forest land from the program before the end of the MFL order. These fees are deposited to the forestry account of the conservation fund.

If an MFL petition is received on or before March 31 from a petitioner seeking to enroll 1,000 acres or more, DNR is required to approve or deny the petition on or before the following November 21. For petitioners seeking to enroll less than 1,000 acres without a completed management plan, applications received on or before July 1 must be approved or denied before November 21 of the year following the year in which the petition was received. However, if the petition for enrollment of a parcel including less than 1,000 acres is received on or before May 15 and includes a completed management plan, DNR must either approve or deny the petition before the following November 21.

2003 Act 228 changed the distribution of withdrawal tax and yield tax revenues effective July 1, 2004. Under prior law, DNR retained 50% of both withdrawal and yield tax revenues, which were deposited to the forestry account of the conservation fund. The municipality where the property is located received 40% of yield tax revenues and the

county received 10%. As of July 1, 2004, yield tax revenues are divided entirely between the municipality (80%) and the county (20%).

2005 Act 25 removed the requirement that DNR prepare a management plan if asked to do so by private forest landowners who intend to enroll property in the MFL program. Instead, DNR may choose to decline to prepare such plans, in which case a private landowner would need to contract with an independent certified plan writer to prepare an MFL plan. If DNR agrees to prepare a plan, 2005 Act 25 allows DNR staff to prepare the plan or contract with certified plan writers to prepare the plan.

2005 Act 25 also directs DNR to certify plan writers and to create administrative rules specifying the qualifications a person must satisfy to become a certified plan writer. Further, the act allows DNR to establish, by rule, on an annual basis, a fee that the Department would charge to prepare a management plan. The fee was initially set at \$375 per plan plus \$5.60 per acre for entries postmarked after May 31, 2005 and before July 2, 2006. Beginning July 2, 2007 (the 2009 entry year), the fee is based on a formula comprised of the average of the cost data supplied by independent certified plan writers for MFL plan preparations completed in the previous year (June 1 through May 31) and consists of a base rate plus a cost per acre rate. The current rate (established in July, 2008) for entries effective January 1, 2010 is a base rate of \$499 plus \$6.88 per acre. Certified plan writers are required to supply the cost data as part of their certification maintenance requirements. The fee is charged in addition to any recording or other fee required under current law. Proposed management plans prepared by an independent certified forester are not subject to the plan preparation fee. The first \$280 of each fee collected for the preparation of a management plan is deposited in the existing continuing appropriation for contracting for forestry management plans. Any additional funds are deposited in the forestry account and are available for general appropriation.

2005 Act 25 requires that all applicants including conversion and renewal applicants must pay a \$20 non-refundable application recording fee. The act specifies that a different amount for the recording fee may be established by DNR by administrative rule at an amount equal to the average expense to the department of recording an application.

FCL and MFL Aids. Annually, the Department makes payments to each county that has more than 40,000 acres within its boundaries that are entered on the tax roll as FCL or MFL. The amount paid to each county is equal to the number of FCL and MFL acres in the county divided by the total number of FCL and MFL acres that are within the boundaries of counties that are eligible for payments, multiplied by the amount appropriated for these payments. \$1,250,000 annually is appropriated for these payments.

County Forest, FCL and MFL Aids. Annually, DNR pays each town treasurer 30 cents for each acre of land entered in the county forest program in the previous year. The Department also pays towns and villages 20 cents for each acre enrolled in FCL and MFL. A municipality must submit 20 percent of all moneys received for FCL and MFL acreage to the county treasury.

County Forest Loans. A county may receive from the state noninterest-bearing loans to be used for the acquisition, development, preservation and maintenance of county forest lands, with a maximum loan of 50 cents per acre of county forest land. If the amounts appropriated for these loans are not sufficient to pay all of the amounts approved by DNR, the Department provides funding to eligible counties on a prorated basis.

Land Acquisition for Outdoor Activities Grant Program. 2007 Act 20 provided \$1,000,000 annually beginning in 2008-09 in a continuing appropriation from the forestry account for a land acquisition for outdoor activities grant program. The program provides grants to cities, villages, towns, counties,

non-profit conservation organizations, and to DNR for the purpose of acquiring easements or purchasing land for approved outdoor recreational activities including hunting, fishing, hiking, sightseeing, cross-country skiing, and other purposes compatible with these purposes. The act does not specify any local match requirement. The act creates a five-member Managed Forest Land (MFL) Board to administer the grant program, which will consist of the chief state forester and his or her designee and four members, serving three-year terms, appointed by the Governor from nominees selected by the Wisconsin Counties Association, the Towns Association, the County Forest Association, and the Council on Forestry. The Act requires DNR to promulgate administrative rules, in consultation with the board, that include the following requirements: (a) the Board must give priority to counties over other grant applicants and must give highest priority to counties with the highest number of MFL acres designated as closed to public access, (b) when awarding grants to towns, the Board must give higher priority to those towns with higher numbers of MFL acres designated as closed to public access; (c) county board approval of each grant is required before a grant may be awarded to acquire land in a county; (d) requirements regarding the use of sound forestry practices on land acquired through these grants; (e) land purchased with the grant program must be open for hunting, fishing, and trapping during all applicable open seasons; and (f) no more than 10% of grant funds under the program may be used to purchase parcels less than 10 acres in size.

County Forest Project Loans. The Department may allot additional interest free forestry aid loans on a project basis to individual counties to permit the counties to undertake meritorious and economically productive forestry operations, including land acquisition. These additional aids may not be used for the construction of recreational facilities or for fish and game management projects.

Urban Forestry Grants. Under the urban forestry grant program, the Department awards

grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000. In addition, 2007 Act 13 specified that DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas. To be eligible for a grant, the damage must have occurred in an area for which the governor has declared a state of emergency due to a catastrophic storm event. Act 13 exempts grant recipients from having to pay any portion of the costs in order to receive a grant. DNR is required to notify each grant applicant within 60 days after the application is submitted as to whether the application was approved or denied. Annual funding of \$529,900 is provided for urban forestry grants.

County Forest Grants. Beginning in 2001-02, \$200,000 was provided annually to establish a grant program to increase the implementation of sustainable forestry practices on county forest land. This annual amount was increased by \$50,000 to \$250,000 beginning in 2005-06.

County Forest Administrator Grants. Prior to 1997, DNR provided grants to counties with county forest land for up to 50% of the salary of a county forest administrator or assistant county forest administrator. In 1997, grant eligibility was expanded to include 50% of the fringe benefit cost of a forest administrator or assistant forest administrator, with a maximum eligible fringe rate of 40% of salary. 2007 Act 20 expanded the eligible uses of county forest administrator grants to include up to 50% of a county's dues to a non-for-profit organiza-

tion 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. Funding is \$1,348,200 in 2008-09.

Forestry Management Plan Contracts. Beginning in 2001-02, funding from the forestry account has been made available to contract with consultant foresters to prepare MFL plans for new program enrollees. 2003 Act 228 created a continuing appropriation within the forestry account to receive MFL application fees for proposals that are submitted without timber management plans, with all revenues collected to be used by DNR to contract with consultant foresters to prepare MFL plans. Consultant forester contracts are budgeted at \$320,000 annually.

Fish, Wildlife and Forestry Recreation Aids. Counties may apply for grants for the development of wildlife habitat in county forests. These projects are limited to those designed to benefit wildlife and the natural environment. County funding for habitat projects is limited to 10 cents for each acre registered as county forest land; however, funds that remain unallocated as of March 31 of each year may be allotted to any county (as long as the total received does not exceed twenty cents per acre registered as county forest). Counties are required to complete a comprehensive county forest land use plan as part of the application process.

Recording Fees. A \$20 application, conversion, or transfer fee is dedicated to pay the register of deeds any recording fees related to notices of order under MFL. If the revenues from the MFL fees are not sufficient to pay the recording fees, the balance would be paid from the forestry general operations appropriation. Further, DNR may increase the fee, by rule, to cover actual costs.

Reforestation. Forestry account funding is appropriated for reforestation activities on state forests and nursery properties.

Wisconsin Private Forest Landowner Grants. Beginning in 1997-98, \$1,000,000 was appropriated annually for a program to award grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state (the Wisconsin Private Forest Landowner Grant Program (WFLGP)). This amount was increased to \$1,250,000 annually beginning in 2001-02. An additional \$400,000 annually was provided beginning in 2005-06 through Joint Finance Committee action in January, 2006. Under statute, management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. Under administrative rule, grants are to be given for not less than 50%, but not more than 65% of eligible costs, with a maximum grant amount of \$10,000. DNR gives preference to projects that are directed to accomplish one or more of the following: (a) establish or reestablish forests through regeneration; (b) improve forest stand productivity, vigor, health or value; (c) encourage sustainability; (d) provide protection of soil and water resources; (e) include additional land under written forest stewardship management plans; (f) provide protection and enhancement of riparian areas and wetlands; (g) provide protection and enhancement of terrestrial wildlife habitat; or (h) provide endangered, threatened, or rare species habitat enhancement and natural community habitat maintenance and enhancement. In addition, 2007 Act 20 provided \$60,000 annually beginning in 2008-09 under WFLGP for grants to groups of interested parties for invasive plant projects in weed management areas (as defined by DNR rule). Under the act, the groups must consist of landowners who each own less than 500 acres of nonindustrial private forest land.

Fire Suppression Grants. 1997 Act 27 created a pilot program with \$525,000 annually to award grants for up to 50% of the costs of purchasing fire resistant clothing and fire suppression supplies,

equipment and vehicles. Funds are available to cities, villages, towns, counties and fire suppression organizations that enter into a written agreement to assist DNR in the suppression of forest fires when requested. The program was authorized on a two-year demonstration basis with a June 30, 1999, sunset. The 1999-01 biennial budget deleted the sunset provision and allocated \$198,000 annually from the forestry account, with \$327,000 in federal funds to continue grant levels of \$525,000 annually. An additional \$250,000 was provided annually under 2001 Act 16, increasing funds available beginning in 2002-03 to \$775,000 (\$448,000 in forestry SEG and \$327,000 FED). In addition, Act 16 expanded allowable uses of the grant to include fire prevention materials and fire suppression training.

Assistance for Nonprofit and Private Conservation

Urban Land Conservation. 1999 Act 9 provided \$75,000 annually from the forestry account to provide a grant to a non-stock, non-profit corporation organized for urban land conservation purposes. 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 may be used by the corporation for urban forest protection, water resource enhancement, or other urban open space objectives. Other goals that grant recipients are expected to meet include providing technical assistance to interested groups, conducting conferences, assisting community groups, and preparing annual reports detailing their progress. The grant has been awarded to the Center for Resilient Cities (formerly Urban Open Space foundation) each year. Established in 1996, the organization promotes the goals of preserving and restoring natural and cultural features; increasing the role of citizens in open space acquisition, design, development, and stewardship; and broadening public support for parks and natural areas.

Ice Age Trail Grant. Also established under 1999 Act 9 was a \$75,000 annual grant from the forestry

account to a non-stock, non-profit corporation 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. Grant recipients are further directed to support the work of volunteers who develop, maintain and promote the trail; to build partnerships for the trail with local units of government and non-profit organizations; promote the protection of a corridor for the trail through the acquisition of land and interests in land; strengthen community support for the trail by involving volunteers and interest groups; and promote tourism related to the trail. In addition, the corporation is required to submit an annual report detailing the purposes for which the grant was expended. The grant has been awarded to the Ice Age Park and Trail Foundation each year. The Trail Foundation is a Milwaukee-based volunteer organization with approximately 3,000 members in Wisconsin and 3,300 members nationwide.

[Grants to Gathering Waters and the Natural Resource Foundation are also partially funded from the forestry account (\$80,000 annually), but are described under water resources account expenditures.]

Forestry Public Education and Curriculum Development. Revenues from a 3¢ per seedling surcharge assessed on all seedlings sold at DNR tree nurseries is divided evenly between forestry public education and awareness programs and an appropriation supporting a DNR contract with the University of Wisconsin - Stevens Point for the development of a kindergarten through twelfth grade forestry education curriculum. Each purpose is budgeted at \$200,000 annually.

Forestry Education and Professional Development. As passed by the Legislature, the 2005-07 budget would have created two appropriations and provided funding, primarily from an anticipated increase in timber harvest revenues, for a number of new or expanded programs under the

bill. Through a partial veto, the Governor eliminated one appropriation as well as the dedicated source of revenue (increased timber revenues) for several programs. 2005 Act 25 created an annual forestry account appropriation with ongoing funding beginning in 2006-07 of \$150,000 annually to provide grants of up to 50% for individuals pursuing master logger certification through the Wisconsin Professional Loggers Association. In addition, one-time funding was provided, in the 2005-07 biennium only, for funds to match federal forest biomass grants (\$500,000), to North Central Technical College for a program to train students to use mechanized equipment to harvest timber (\$200,000), and to the Paper Industry Hall of Fame, Inc. to support the development and operation of the Paper Discovery Center in Appleton (\$100,000). As funding becomes available, other programs that could be supported include additional private forestry grants, a forestry education grant program, a school forest transportation program, a master logger apprenticeship program and forestry internships.

Karner Blue Butterfly Habitat. 2007 Act 20 created an appropriation within the forestry account for the deposit of money received from fees paid by partners in the Karner blue butterfly habitat conservation plan as well as money received from gifts, grants, and bequests to the plan to be used for administration and implementation of the plan. DNR administers the Karner blue butterfly habitat conservation plan under an agreement with the U.S. Fish and Wildlife Service. The plan allows Wisconsin land owners to manage land occupied by the federally endangered Karner blue butterfly, provided they follow certain guidelines to protect the species. Certain landowners whose land includes Karner blue butterfly habitat or whose management activities interfere with butterfly habitat are required to participate in the plan, while other landowners are encouraged to participate on a voluntary basis. Initial partners in the plan did not pay a participation fee; however, new partners in the plan, such as utility companies and large private landowners, must pay a one-time entry fee of \$2,550. Approximately \$9,700 in gifts and fees were received in fiscal year

2007-08.

Cooperating Foresters. 2005 Act 166 directed DNR to establish a program allowing cooperating foresters to assist the state in the harvesting and selling of timber from state forest lands and authorizing cooperating foresters to receive a portion of the proceeds received from each sale. 2007 Act 20 created a continuing appropriation in the forestry account into which the portion of the proceeds from timber sales on state forest lands that DNR pays to a cooperating forester is credited to make the required payments.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Department of Agriculture, Trade, and Consumer Protection (DATCP). The forestry account provides funding for the gypsy moth program in DATCP. Gypsy moth control and monitoring programs have been conducted since 1971 in a cooperative effort between DATCP, DNR, the United States Department of Agriculture, local governments and private businesses. The gypsy moth is a leaf-eating pest of trees and shrubs. As a result, gypsy moth infestations can affect the forest products industry, the tourist industry and property values. DATCP also received funding from the forestry account for plant protection activities, including nursery regulation and control of plant pests. Approximately \$1.6 million is budgeted in 2008-09 for these purposes.

University of Wisconsin System. 1997 Act 27 appropriated \$200,000 annually for the Wisconsin Environmental Education Board for grants for forestry-related environmental education programs. This amount was increased to \$400,000 annually under 2001 Act 16. The Board, a part of the University of Wisconsin System, is responsible for identifying needs and establishing priorities for envi-

ronmental education in public schools. GPR and environmental fund revenues are also used to fund a portion of the grants. Up to 5% of the amount appropriated from the forestry account may be used for the costs of administering the grants.

Under 1999 Act 9, \$50,000 is provided annually to the University of Wisconsin – Madison Center for Cooperatives to award grants to persons in order to form forestry cooperatives that consist primarily of private, non-industrial forest owners. Further, 2005 Act 25 provided \$78,000 annually with 1.0 position beginning in 2005-06 for the University of Wisconsin-Stevens Point paper science program.

State Historical Society. Funding has been provided since 1997 for a position for interpretative programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County.

Kickapoo Reserve Management Board. Operations of the Kickapoo Reserve Management Board have been funded from the forestry account since 1997. The eleven-member Board is administratively attached to the Department of Tourism, and sets policy and manages the 8,600 acre Reserve in Vernon County acquired from the federal government adjacent to the Kickapoo River to preserve and enhance its unique environmental, scenic and cultural features, to provide facilities for the use of visitors and to promote the reserve as a recreational site.

Wisconsin Conservation Corps (WCC). The WCC, which is attached to the Department of Workforce Development for administrative purposes, offers employment to young adults, ages 18 to 25. While the WCC had received funding from the forestry account previously, support for the program was deleted under 2003 Act 33. However, due to several outstanding financial commitments, \$800 in payments were made to the WCC from the forestry account in 2007-08.

Table 7: Forestry Account Expenditures

	2007-08 <u>Actual</u>	2008-09 <u>Appropriated</u>	2007-08 % <u>of Total</u>	2008-09 <u>Staff</u>
Forestry Program Appropriations				
State Forestry Operations	\$47,379,500	\$50,780,500	47.40%	463.44
Southern Forest Operations	5,147,600	5,384,400	5.15	45.75
Stewardship Debt Service	13,500,000	13,500,000	13.51	0.00
FCL and MFL Aids	1,250,000	1,250,000	1.25	0.00
County Forest, FCL and MFL Aids	1,352,700	1,416,400	1.35	0.00
Outdoor Recreation Land Acquisition Grants	0	1,000,000	0.00	0.00
County Forest Loans	557,000	622,400	0.56	0.00
County Forest Project Loans	413,600	400,000	0.41	0.00
County Forest Loan Severance Payments	87,000	0	0.09	0.00
County Forest Project Loan Severance Payments	347,700	0	0.35	0.00
Urban Forestry, County Forest Grants, and County Forest Administrator Grants	1,934,600	2,128,100	1.94	0.00
Forestry Management Plan Contracts	0	320,000	0.00	0.00
Fish, Wildlife and Forestry Recreation Aids	235,900	234,500	0.24	0.00
Recording Fees	50,800	90,000	0.05	0.00
Fire Emergency Other States	74,800	0	0.07	0.00
Reforestation	122,500	101,500	0.12	0.00
Wisconsin Private Forest Landowner Grants	888,700	1,710,000	0.89	0.00
Fire Suppression Grants	443,400	448,000	0.44	0.00
Assistance for NCOs and Private Conservation	228,400	230,000	0.23	0.00
Forestry Public Education	175,500	200,000	0.18	0.00
Forestry Education Curriculum	200,000	200,000	0.20	0.00
Campground Reservations	288,500	0	0.29	0.00
Forestry Education and Professional Development	5,600	150,000	0.01	0.00
Karner Blue Butterfly Habitat	9,700	10,000	0.01	0.00
Cooperating Foresters	3,900	0	0.00	0.00
Split-Funded Appropriations				
Administration and Technology Services	\$7,658,600	\$8,030,900	7.66%	70.96
Customer Assistance and Licensing	4,013,600	3,276,500	4.02	34.19
Land Program Management	126,800	120,300	0.13	1.02
Bureau of Facilities and Lands	3,193,300	3,380,900	3.19	32.35
Bureau of Science Services	609,900	820,800	0.61	6.63
Bureau of Endangered Resources	236,100	255,500	0.24	2.63
Administrative Facility Repair and Debt Service	1,263,800	1,547,500	1.26	0.00
Aids in Lieu of Taxes	4,452,100	4,454,000	4.45	0.00
Resource Acquisition and Development	736,800	770,800	0.74	0.00
Rent and Property Maintenance	220,700	2,600	0.22	0.00
Taxes and Assessments	18,400	29,900	0.02	0.00
Miscellaneous	12,800	0	0.01	0.00
Other Agency Appropriations				
Agriculture, Trade and Consumer Protection	\$1,452,400	\$1,560,400	1.45%	9.75
University of Wisconsin System	441,300	531,100	0.44	1.00
State Historical Society	52,800	49,000	0.05	1.00
Kickapoo Reserve Management Board	718,300	744,900	0.72	3.00
Wisconsin Conservation Corps	800	0	0.00	0.00
Lower Wisconsin State Riverway Board	<u>44,400</u>	<u>46,700</u>	<u>0.04</u>	<u>0.25</u>
Total	\$99,950,300	\$105,797,600	100.00%	671.97

Lower Wisconsin State Riverway Board (LWSRB). The forestry account funds 25% of the operating costs of The Lower Wisconsin State Riverway Board (the remaining 75% in SEG funding comes from the water resources account). The nine-member board is administratively attached to the Department of Tourism and is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development.

Table 7 lists the expenditures from the forestry account for the 2007-09 biennium.

Parks Account

Revenue

Parks account revenues are generated primarily by motor vehicle admission fees to state parks and camping site fees. As shown in Appendix III, motor vehicle admission fees are higher for out-of-state than in-state vehicles. The annual admission fee for a second vehicle is one-half the regular price, if an individual or a member of the household owns a vehicle with a current annual admission sticker. No admission fee is required for any vehicle that transports a person with a senior citizen recreation card or a conservation patron license. (The senior citizen recreation card has not been available since 1991; however, it continues to convey lifetime privileges to the holder as long as the holder possesses the card and remains a resident.) In addition, 2007 Act 165 specified that no admission fee may be charged for entry to any state park or to any state trail by residents who are veterans with a 70 percent or greater military-related disability and residents who were prisoners of war. Prior to 2007, an admission fee exemption existed for motor vehicles transporting students from public or private schools and home-based private educational programs to an outdoor academic class. 2007 Act 20 expanded the provision to

include students from a Wisconsin accredited college or university course.

1997 Act 27 altered the fee structure for motor vehicle admission stickers. That act maintained all prior fees, but created an issuing fee within the overall price (50¢ for annual stickers and 15¢ for daily stickers) to allow the sale of park stickers through the Department's automated license issuance system. Current fees were enacted under 2005 Act 25 and are shown in Table 8.

Table 8: State Park and Forest Admittance Fees

	Prior Fee	Current Fee	Increase Amount	Increase Percent
Resident annual	\$20	\$25	\$5	25 %
Senior citizen annual	10	10	0	0
Additional annual*	10	12.50	2.50	25
Resident daily	5	7	2	40
Non-resident annual	30	35	5	17
Additional non-resident annual*	15	17.50	2.50	17
Non-resident daily	10	10	0	0

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

Revenue to the parks account is also derived from other charges, such as camping reservations, trail use fees, golfing at Peninsula State Park and swimming at Blue Mounds State Park. In addition, a portion of the revenue from the sale of patron licenses is deposited in the parks account to reflect the parks-related privileges granted to patron license holders (annual park admission sticker, trail pass and Heritage Hill State Park admission).

Camping site fees are also a primary source of revenue to the account. Although minimum fees are established by statute, DNR may designate, by rule, properties to which higher fees apply based, in part, on local market conditions, the types of conveniences offered at the campground, and the level of use. Site fees for nonresidents are higher than the site fees for residents. 2005 Act 25 increased minimum camping site fees by \$2 (camping site fees went into effect July 27, 2005). Appendix III

identifies vehicle admission fees and minimum camping fees assessed for use of state park and forest properties.

While the minimum camping fees are established in statute, several administrative rule changes related to camping and parks land occurred in 2005. The rule changes included increased fees for renting park shelters, picnic shelters with electricity, and enclosed picnic shelters. In addition, DNR also increased the camping fees at eight of its high-use properties (Devil's Lake, Kohler-Andrae, Mirror Lake, Peninsula, Big Bay, Willow River, Hartman Creek, and Point Beach) by \$3 per night from Memorial Day through Labor Day and on weekends in September and October. These rule changes (and corresponding fee changes) were effective August 1, 2005.

In 2008, several additional changes to administrative rule affected the price of camping in various state parks as well as increased the price of the annual state trail pass from \$15 to \$20. Through these administrative rule changes, effective January 1, 2008, the rule permitting an additional camping fee of \$3.00 based on local market conditions was amended to eliminate fee differences based on time of year (meaning the high-use properties are now eligible to charge an additional \$3.00 per night at all times), and seven additional parks are added to the previous eight parks where fees were raised by \$3 per night to reflect market conditions including: Copper Falls, Council Grounds, Governor Dodge, High Cliff, Newport, Pattison, and Potawatomi. Additionally, the rule allowing DNR to charge additional "weekend and holiday" family camping fees for Type A and B campgrounds in the state parks or southern state forests and the Clear Lake, Crystal, Firefly Lake, and Muskie Lake campgrounds in the Northern Highland-American Legion state forest, was amended to read "additional family camping fees" meaning the additional fees could be charged on a year-round basis (rather than solely on weekends and holidays). Also, Castle Mound campground at the Black River state forest was added to the list of campgrounds subject to the potential for an increased fee on an annual basis. Additionally,

teepees and yurts were added to the list of reservable parks facilities, and reservation periods are now aligned with family camping reservation periods allowing the public to reserve picnic areas, shelters, auditoriums, amphitheaters, teepees and yurts up to 11 months in advance.

1995 Act 27 eliminated the requirement that state park operations be funded equally from the parks account and the general fund. Base funding for state park operations in 2008-09 includes approximately 67% segregated revenues from the parks account and 33% GPR.

Table 9 identifies the segregated revenue to the parks account in the 2007-09 biennium.

Table 9: Parks Account Revenue

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total
Park Stickers	\$6,358,800	\$6,450,000	43.3%
Campsite Fees	4,841,300	5,100,000	33.0
Campsite Reservations			
Vendor	791,600	800,000	5.4
Conservation Patron			
Allocation	838,200	900,000	5.7
Golf Fees	106,400	100,000	0.7
Trail User Fees	805,300	890,000	5.5
Rents, Sales, and Services	379,200	380,000	2.6
Timber Sales	139,100	150,000	0.9
All Other Revenues	<u>409,900</u>	<u>424,400</u>	<u>2.8</u>
Total	\$14,669,800	\$15,194,400	100.0%

Expenditures

Currently, DNR park staff operate 71 recreational properties open to the public, including 45 state parks, 15 state trails (another 22 trails are state owned, but locally operated and maintained), seven southern forests and four recreation areas. Appendix IV lists the state parks and recreation areas operated by parks staff. In addition, some properties are owned by the state and operated by local units of government (such as Copper Culture State Park) or nonprofit organizations (such as Heritage Hill State Park). Also, some properties have been designated by the

Natural Resources Board, but are not developed or are under development and property operation remains largely unfunded with only limited services provided. Management of properties can also change over time. For example, under 1999 Act 9, the management of the Wisconsin Dells State Natural Area was transferred from the Bureau of Endangered Resources to the Bureau of Parks and Recreation. Parks and southern forests receive an estimated 13.9 million visits annually.

The state park system properties contain 4,703 camp sites, 1,420 acres of picnic areas and 32 properties with beaches totaling approximately 21 miles in length. The state recreation system also includes an extensive network of trails, some of which are multiple-use: (a) 1,766 miles of hiking trails; (b) 1,082 miles of snowmobile trails; (c) 1,081 miles of bicycle trails (including 440 miles of off-road mountain bike trails); (d) 698 miles of groomed cross-country ski trails; (e) 586 miles of bridle trails; (f) 627 miles of wheelchair-accessible trails; (g) 410 miles of ATV trails; and (h) 245 miles of nature trails.

The operating costs for the parks system include staff costs for: (a) park managers, who supervise the daily operation of state parks; (b) park rangers, who are primarily responsible for enforcement and skilled maintenance activities; (c) park naturalists, who develop and present the educational programs offered at the parks; (d) visitor services staff; (e) maintenance personnel; and (f) a position for an outdoor skills program targeted to urban families and other non-traditional outdoor recreation groups. Limited-term and seasonal employees are utilized extensively in the state park system.

Under section 27.01 of the statutes, DNR retains \$1 of each camping reservation fee collected by a private vendor. DNR contracts with a private company, ReserveAmerica, a subsidiary of Ticketmaster, Inc, to manage the campground reservation system. ReserveAmerica collects all of the reservation fees and the general campsite fees and then remits the revenue from these fees to DNR, where

they are deposited in the parks account. The Department then returns \$9 of every \$10 to ReserveAmerica from an appropriation in the parks account.

Current law authorizes DNR to charge fees, in addition to vehicle admission fees, for special programs and events in state parks. 2007 Act 20 created a SEG continuing appropriation into which revenue from educational and interpretive programs in state parks is credited, to be used for costs associated with those programs.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Parks account funding (\$12,200 in 2008-09) is also provided for general program operations in the Department of Tourism

Table 10 identifies expenditures from the parks account for the 2007-09 biennium.

Water Resources Account

Revenue

The main source of revenue to the water resources account, created in 1987 Act 27, is an annual transfer of motorboat fuel tax revenue into the account. Except for fiscal years 2007-08, 2008-09, and 2009-10, the amount of the transfer each fiscal year is calculated by multiplying the motor fuel tax on 50 gallons of gasoline on April 1 of the previous fiscal year by the number of motorboats registered as of January 1 of the previous fiscal year, and then multiplying this result by 1.4. For fiscal years 2007-08, 2008-09, and 2009-10, 2007 Act 204 specified that the payment is calculated by multiplying the motor fuel tax paid on 50.5 gallons on April 1 of the previous fiscal years rather than the tax paid on 50 gallons. In fiscal year 2007-08,

Table 10: Parks Account Expenditures

	2007-08 <u>Actual</u>	2008-09 <u>Appropriated</u>	2007-08 % <u>of Total</u>	2008-09 <u>Staff</u>
Parks and Recreation Program Operations	\$10,794,400	\$11,350,400	75.3%	101.78
Campground Reservation Fees	777,100	900,000	5.4	0.00
Parks Interpretive Fees	0	15,000	0.0	0.00
Split-Funded Appropriations				
Administration and Technology Services	\$921,400	\$966,200	6.4%	8.61
Customer Assistance and Licensing	384,900	316,100	2.7	2.51
Land Program Management	447,400	424,400	3.1	3.52
Facilities and Lands Operations	526,800	557,700	3.7	5.42
Administrative Facility Repair and Debt Service	177,300	217,100	1.2	0.00
Aids in Lieu of Taxes	21,900	22,000	0.2	0.00
Resource Acquisition and Development	65,900	62,000	0.5	0.00
Rent and Maintenance	117,000	1,200	0.8	0.00
Taxes and Assessments	77,800	126,100	0.5	0.00
Other Agency Appropriations				
Tourism	<u>13,900</u>	<u>12,200</u>	<u>0.1%</u>	<u>0.00</u>
Total	\$14,325,800	\$14,970,400	100.0%	121.84

this resulted in an increase of \$135,600 for a total transfer amount of \$13,696,400. In 2008-09, DNR is expecting \$13,305,511 to be transferred to the water resources account under this formula (609,051 motorboats x 50.5 gallons per motorboat x 30.9¢ per gallon x 1.4). Table 11 identifies 2007-08 and 2008-09 revenues and expenditures from the water resources account.

Expenditures

Funding from the water resources account is used to support: (a) development of state and local recreational boating facilities; (b) lake and river management activities and grant programs; (c) dam inspection and safety; and (d) operational management of the Fox River locks system.

Recreational Boating Projects. Under this program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, and the Lower Wisconsin

State Riverway Board for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. A grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR. Feasibility studies, which are eligible for state cost-sharing, must be completed for any project before it is assigned to a priority list. Grants are available for recreational boating projects that include providing public access (boat ramps and related parking facilities), navigational aids or markers, dredging, weed removal, and capital equipment used for trash or debris removal.

1997 Act 27 provided DNR with the authority to provide grants for up to 80% of the costs of developing recreational boating facilities (and up to 90% if the sponsor conducts a boating safety program) if the project is deemed to be of regional or statewide importance by the Waterways Commission. Under administrative rule, "statewide significance" would be determined by the Waterways Commission based on the following criteria.

Table 11: Water Resources Account Revenue and Expenditures

Revenue Sources	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
Fuel Tax Transfer	\$13,696,400	\$13,305,500	99.1%	
Investment and Other Income	<u>122,400</u>	<u>200,000</u>	<u>0.9</u>	
Total	\$13,818,800	\$13,505,500	100.0%	
Water Resources Program Appropriations				
Recreational Boating Projects	\$4,285,900	\$622,000	31.2%	0.00
Lake, River and Invasive Species Management	2,697,800	3,270,700*	19.6	19.50
Lake Protection Grant Program	2,817,300	2,675,400	20.5	0.00
Aquatic Invasive Species Grants	232,200	4,300,000	1.7	0.00
River Protection Grant Program	222,700	292,400*	1.6	0.00
Dam Safety and Wetland Mapping	614,900	655,300*	4.5	6.00
Dam Safety Grants Debt Service	465,800	523,200	3.4	0.00
Public Health	20,300	25,000	0.1	0.00
State Boat Access Sites	316,600	200,000	2.3	0.00
State Boat Access Sites to Southeastern Lakes	222,500	100,000	1.6	0.00
Water Resources Enforcement	422,600	206,200*	3.1	2.20
Resource Inventory	124,300	129,800*	0.9	0.00
Assistance for Private Conservation Activity	152,000	155,000	1.1	0.00
River Protection Non-Profit Organizations	31,000	75,000	0.2	0.00
Mississippi and St. Croix Rivers Management	42,800	62,500	0.3	0.00
Miscellaneous	1,600	0	0.0	0.00
Split-Funded Appropriations				
Administration and Technology Services	\$416,000	\$436,300*	3.0%	3.85
Customer Assistance and Licensing	385,400	325,200*	2.8	3.44
Water Program Management	1,700	2,100	0.0	0.00
Bureau of Enforcement and Science	7,200	8,700	0.1	0.07
Resource Acquisition and Development	10,700	8,300	0.1	0.00
Other Agency Appropriations				
Lower Wisconsin State Riverway Board	133,300	140,200	1.0%	0.75
Fox River Navigational System Authority	<u>126,700</u>	<u>126,700</u>	<u>0.9</u>	<u>0.00</u>
Total	\$13,751,300	\$14,340,000	100.0%	35.81

*DNR has indicated plans to lapse funds from these appropriations in 2008-09 to the balance of the water resources account to address a structural imbalance.

For projects located on lakes or flowages, all of the following criteria must be met: (a) the lake must be at least 1,000 surface acres in size, or the project must be located on Lake Superior or Lake Michigan; (b) the site must have (or will have as a result of the project) a boat launching facility protected by a breakwater structure; and (c) the project must be located on a lake or flowage that has the minimum number of car-trailer unit parking spaces (or will have the minimum number of spaces as a result of the project) required under s. NR 1.91. For

projects located on rivers, the project must meet all of the following criteria: (a) it must be located on the Mississippi River; (b) it must provide motorized boating access to a river at a site that is more than 10 miles from another motorized boating access site; and (c) the project must provide a minimum 15 car-trailer unit parking spaces at the site.

The following restrictions apply to the distribution of grants: (a) no more than 10% of state funding may be expended for feasibility studies in any

year, and no more than 1% may be provided for any one feasibility study; (b) at least 40% of state funding must be expended for Great Lakes projects, 40% must be expended for inland lakes projects and 20% may be expended for projects deemed necessary by the Waterways Commission without regard to location; and (c) no state funds may be used for the acquisition of land or for the construction of berths.

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. The Commission is attached to DNR and is comprised of the following members: (a) one resident of the Lake Superior area; (b) one resident of the Lake Michigan area; (c) one resident of the Mississippi River area; (d) one resident of the Lake Winnebago watershed area; and (e) one resident from the inland area of the state. Each member must be able to assess the recreational water use problems in his or her geographical area of the state. The Waterways Commission approves recreational boating projects found to be feasible and supported by the local unit of government or qualified sponsor. 2005 Act 25 reduced the amount appropriated for the recreational boating aids from \$4,547,000 in 2004-05 to \$3,122,000 annually beginning in 2006-07, while providing an additional \$1 million for invasive species control grants. 2007 Act 20 transferred \$1.5 million in 2007-08 and \$2.5 million in 2008-09 of water resources SEG from recreational boating project aids to the distribution of grants for the control of aquatic invasive species. This amount was replaced by stewardship program bonding of \$1.5 million in 2007-08 and \$2.5 million annually beginning in 2008-09. In fiscal year 2007-08, \$261,500 in stewardship program bonding was expended to fund five projects.

Lake, River, and Invasive Species Management. The water resources account supports 19.5 Department staff who oversee the state's aquatic invasive species program and provide technical and educational assistance to local governments, including public inland lake rehabilitation districts and lake and river associations. Funds are used for

monitoring aquatic invasive species, public education and boat inspection efforts, and for research related to the control of invasive animal and plant species. In addition, funding is used to conduct diagnostic studies, support demonstration projects and develop and distribute information on lakes and river management to lake districts and waterfront property owners. Further, 2007 Act 204 provided \$130,000 in this appropriation on a one-time basis in fiscal year 2007-08 to be used for administration of activities associated with permits for piers, wharves, and related structures.

Lake Protection Grant Program. Under 1999 Act 9, funding for lake management and classification grants was merged with lake planning grants to form the consolidated lake protection grant program.

Lake protection grants may be awarded for a variety of purposes, including management projects that will improve or protect the quality of water in lakes, flowages, or natural lake ecosystems. A grant for a lake management project may be made for up to 75% of the cost of the project up to \$200,000 per grant. Counties, municipalities, non-profit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for grants for lake management projects. Eligible activities include: (a) the purchase of land or conservation easements (if the purchase will substantially contribute to the protection or improvement of a lake or natural lake ecosystem's water quality); (b) wetland restoration; (c) restoration of shoreline habitat; (d) development of local regulations or ordinances that will protect or improve the water quality of a lake or natural lake ecosystem; and (e) an activity that is approved by the DNR, and that is needed to implement a recommendation made as a result of a plan to improve or protect the quality of water in a lake or natural lake ecosystem. By administrative rule, the minimum allowable membership fee for a qualified lake association is \$5 annually, and the maximum is \$50 annually.

Lake protection grants may also include lake classification activities for: (a) 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 (b) lake classification technical assistance grants of up to \$200,000 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.

In addition, DNR may distribute grants for lake planning projects. Examples of 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. Grants may support up to 75% of the project costs, with a maximum award of \$10,000.

Under 2003 Act 33, funding for the lake protection grant program was increased by \$500,000 annually. In addition, the Department was directed to provide at least \$500,000 annually for grants to local units of government for up to 50% of the costs of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings. 2005 Act 25 increased the funding for the lake protection grant program to \$3,175,400 in 2005-06 and to \$3,675,400 in 2006-07. In addition, the Act provided that \$1,000,000 in 2005-06 and \$1,500,000 annually beginning in 2006-07, be made available for cost-sharing grants to local governments for the control of invasive species that are aquatic species. 2007 Act 20 transferred base level funding of \$1,500,000 annually from the lake protection grant appropriation to a biennial appropriation solely for the distribution of grants for the control of aquatic invasive species.

Aquatic Invasive Species Grants. DNR administers a financial assistance program which awards cost-sharing grants for projects to control invasive species. As mentioned above, 2007 Act 20 created

an appropriation solely dedicated to providing these grants. In addition, the act increased the state cost-sharing grant (from 50%) to up to 75% of the costs of projects to control aquatic invasive species. Further, the act deleted a restriction that projects be awarded to local government units. This action makes any public or private entity eligible for a state grant. The act brings total available funding under the aquatic invasive species grants program to \$3.3 million in 2007-08 and \$4.3 million annually beginning in 2008-09.

River Protection Grant Program. A river protection grant program was created in 1999 Act 9 and was split-funded from the non-point account and the water resources account. 2003 Act 33 eliminated the contribution from the non-point account, and increased funding from the water resources account by the same amount to maintain funding of \$292,400 annually for the program. Any unencumbered funding in the river protection grants appropriation at the end of each fiscal year is transferred to the lake protection grant appropriation.

DNR distributes river protection grants to improve or protect the quality of water in rivers, streams and flowages. These grants are limited to 75% of project costs, up to \$50,000 per grant for management projects and \$10,000 per grant for planning projects. Eligible grant recipients include 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. Grants under this program may be used for activities that contribute to the protection or improvement of a river's water quality or its natural ecosystem. Eligible management activities include: (a) purchase of land or conservation easements; (b) restoration of wetlands, in-stream, or shoreline habitat; (c) development of local regulations or ordinances; (d) installation of pollution control practices; and (e) other activities as determined by DNR. Eligible planning activities include: (a) data collection; (b) assessments of water

quality, fish, aquatic life, and habitat; (c) assessments of the uses of a river and surrounding land; (d) non-point source pollution evaluation; (e) programs and materials to assist in forming river management organizations; and (f) informational or educational materials that address protection of rivers, their uses, and improvements to river habitat.

Dam Safety and Wetland Mapping Program. DNR prepares and maintains maps of wetland areas measuring five acres or larger throughout the state in order to better protect wetland resources and provide information to individuals seeking permits that may impact these areas.

There are approximately 3,800 dams located on waterways in Wisconsin. Of these, approximately 1,150 are classified as large dams. A large dam is a dam with: (a) a structural height of more than six feet that can impound 50 acre-feet or more of water; or (b) a structural height of 25 feet or more that can impound more than 15 acre-feet of water. At least once every 10 years, DNR is required to inspect each large dam that is maintained or operated across navigable waters. However, DNR may inspect any dam in the state upon complaint or its own initiative. If a dam is found to be deficient or unsafe, DNR may order repairs to the dam or may order the impoundment drawn down to protect life and property.

Dam Safety Debt Service. In addition to conducting dam inspections, DNR administers the municipal dam safety grant program. The Legislature created the municipal dam safety program in the 1989-91 biennial budget. This program provides grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. The program provides 50% matching grants with a limit of \$200,000 per project. 1999 Act 9 allows DNR to provide financial assistance for an activity other than the maintenance, repair, modification, abandonment, or removal of a dam if the activity would im-

prove the safety of the dam, and cost less than the aforementioned options. This provision is intended to allow for the removal of homes or other structures in the floodway to reduce the dam's hazard rating, if this is a more cost-effective alternative than repair or removal. A total of \$12.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program. Between 1991 and 2008, 90 projects were completed under the program; three abandoned dams were removed, and seven small dams have been removed or are in the final planning stages. Approximately \$11,486,700 has been spent for the program through 2008 (\$0.6 million in bonding remains available). No bonding has been appropriated for dam safety grants since the 2001-03 biennium.

Debt retirement costs on \$5.5 million (45%) of program bonds is funded with general-purpose revenues. The debt service on the remaining \$6.6 million (55%) is funded from the water resources account.

Public Health. 2005 Act 25 created an annual appropriation to support public health activities in the Integrated Science Services Bureau relating to surface water quality. Funding for the activities (\$25,000 annually) was transferred from the Aquatic and Terrestrial Resources program.

State Boat Access Sites. The Department is budgeted water resources account funds for state-owned facilities. DNR is appropriated \$300,000 annually to fund the development of state-owned boating facilities, of which at least \$100,000 must be used for facilities located in a sixteen-county region in southeastern Wisconsin.

Water Resources Law Enforcement. Beginning in 2003-04, 2.2 conservation warden positions were transferred from GPR to water resources account SEG. This transfer was based on DNR enforcement activity reports that indicated an equivalent number of enforcement hours were devoted to water resource protection efforts (such as public and private water supply and polluted water run-off enforcement).

Resource Inventory. The Department maintains an aquatic and natural resources inventory in order to better catalog natural resources statewide, and integrate knowledge gained from the inventory in statewide planning efforts to better protect the available resources.

Assistance for Private Conservation Activity. The Department may provide an annual grant to a Wisconsin-based nonstock, nonprofit corporation. The nonprofit corporation is required to 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 non-profit 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.

Beginning in 1996-97, a grant of \$75,000 from the water resources account has been awarded to Gathering Waters, Inc. 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. In accordance with statute, the group: (a) assists in establishing new NCOs; (b) sponsors conferences and other educational programs; (c) publishes a newsletter; and (d) provides technical assistance on such issues as incorporation, organizational development, real estate transactions and land protection options.

The 1999-01 biennial budget increased the amount available for the grant to \$150,000 annually (with \$112,500 funded from water resources and \$37,500 from the forestry account) and requires the corporation to submit an annual report to the DNR and the appropriate standing committees of the Legislature detailing the activities for which the grant was expended. In addition, it specifies that the board of directors of the corporation receiving the award should, to the greatest extent practicable, represent all geographic areas of the state. The

corporation is also directed to assist non-profit conservation organizations (NCOs) in acquiring and managing property for conservation purposes, and to acquire a property for conservation purposes where no other NCO exists that is willing or capable to purchase or manage this property. Finally, the DNR was required to submit a report during the last half of fiscal year 2004 describing the cost and accomplishments of the program. In the report, the Department described how Gathering Waters has achieved numerous goals, including successfully expanding the number of land trusts operating in Wisconsin and increasing citizen participation; increasing the quality and professionalism of the land trust community in general; and providing public education and assistance for landowners and land trust organizations. The \$150,000 grant has again been awarded to Gathering Waters for 2008-09.

In addition, the 1999-01 biennial budget provided \$75,000 annually for one or more contracts to non-stock, nonprofit corporations that provide organizational and technical assistance to community-based river protection groups. The corporation is expected to provide support to nonprofit conservation organizations; maintain a board of directors, the majority of which are representatives from nonprofit conservation organizations; and contribute \$1 for each \$3 in state grant funds. The corporation is further required to assist in the establishment of nonprofit conservation organizations and provide technical assistance to these groups, as well as conducting conferences on these topics. One contract was awarded in 2007-08 to the River Alliance of Wisconsin.

The 1999-01 biennial budget also provided an annual grant of \$85,000 split funded evenly between the forestry and water resources account of the conservation fund for a non-stock, non-profit corporation that meets the following requirements: (a) the criteria under section 501(c)(3) or (4) of the Internal Revenue Code; (b) is organized in the state; (c) is exempt from taxation under section 501 (a) of the Internal Revenue Code; and (d) is created

to accept and utilize private contributions made to protect and enhance the state's natural resources. It further specified that the corporation receiving the grant must use it to do the following: (a) encourage private corporations and entities to undertake activities, including the contribution of money, that encourage management and restoration of the state's endangered wild animals, wild plants, and natural communities; (b) encourage these same entities to engage in land management practices that protect and preserve natural resources; and (c) provide grants to non-profit and other groups to encourage education, restoration, and management activities to enhance the state's natural resources. In each year, the grant has been awarded to the Natural Resources Foundation of Wisconsin (NRF). The Natural Resources Foundation was formed in 1986 as a fundraising entity to work with the DNR as a conduit for private contributions to the agency. Currently, NRF has 19 directors and over 2,000 members.

Mississippi and St. Croix River Management.

Funding (\$62,500 in 2008-09) is provided for habitat and recreational projects and for environmental and resource management studies on the Mississippi and Lower St. Croix Rivers.

Lower Wisconsin State Riverway Board (LWSRB). The water resources account also provides 75% of the SEG for the LWSRB, which is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development. The remaining 25% is funded from the forestry account.

Fox River Navigational System Authority. The water resources account is used to partially fund operational and management costs for the locks and associated harbors, property, structures, and facilities on or near the Fox River between Green Bay and Lake Winnebago. This activity is also supported from federal monies, user fees and donations.

In September, 2000, Governor Thompson signed an agreement with the United States Army Corps of Engineers to transfer ownership of the Fox River Locks from the federal government to the state, with the state assuming responsibility to manage and rehabilitate the 17 locks. 2001 Act 16 created the Fox River Navigational System Authority for the purpose of assuming responsibility for management, operations and rehabilitation of the locks upon transfer from the federal government to the state. On September 17, 2004, the locks were officially transferred from the federal government to the state, and the Authority entered into a lease agreement with the Department of Administration to assume management and operational responsibility for the locks. Prior to this agreement, DNR was responsible for the seasonal operation of the three working locks.

As part of the transfer agreement, the Army Corps of Engineers provided the state with \$11.8 million for rehabilitation and repair of the Fox locks, and has agreed to provide an additional \$5.5 million in funding that would be matched by state and local funds. The state funding would consist of \$2.8 million in water resources account SEG (in seven annual installments of \$400,000 starting in 2005-06, through 2011-12) from the recreational boating project aids appropriation, and at least \$2.75 million in local contributions from private businesses, individuals and others.

Boat Registration Account

Article IX of the Wisconsin Constitution specifies that the state's navigable waters "shall be common highways and forever free" to Wisconsin and U.S. citizens "without any tax, impost, or duty therefore." As a result, the use of revenue from boat registration fees has been limited to boating safety and law enforcement purposes by court interpretation of this constitutional provision.

Revenue

The primary source of revenue deposited in the boat registration account is the registration fee collected for all motorized boats and sailboats over twelve feet in length operated on state waters. Motorized boat registration fees vary according to boat length. 2007 Act 20 increased boat registration fees by approximately 15%. The prior fees and current registrations are shown in Appendix V. In addition to the required boat registration fees, a person may elect to make a voluntary contribution to be used for lake research. 2005 Act 25 increased the voluntary contribution from \$1 to \$3. Revenues from the voluntary contribution are deposited in the fish and wildlife account of the conservation fund. Beginning in 2000, all boat registrations are valid for a period of up to three years, beginning on April 1 of the year in which the registration is issued and ending on March 31 of the third year after issuance.

Other sources of revenue to the boat registration account include: (a) boat titling and lien fees; (b) fees paid by people enrolled in boat safety programs; and (c) 1% of the sales tax revenue the Department collects from people who have purchased boats and have not provided proof that a sales tax was paid (which is required before the boat can be registered).

Table 12 identifies revenue to the boat registration account for the 2007-09 biennium.

Expenditures

Boating account revenues are used to fund: (a) state costs of boating law enforcement by DNR conservation wardens and of administration of boating safety programs, and (b) aids to municipalities for up to 75% of the costs of local boating law enforcement and safety programs.

Table 12: Boat Registration Account Revenue

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total
Motorized Boat Reg, Under 16 ft	\$822,200	\$1,975,000	30.5%
Motorized Boat Reg, 16 to 26 ft	1,529,400	3,725,000	56.8
Motorized Boat Reg, 26 to 40 ft	100,800	220,000	3.7
Motorized Boat Reg, Over 40 ft	10,000	42,000	0.4
Motorized Fleet Registrations	14,300	44,000	0.5
Other Registration Fees	236,500	248,000	8.8
Nonmotorized Boat Registrations	1,300	50,000	0.0
Boat Title and Lien Fees	214,900	200,000	8.0
Safety Certification Fees	32,300	34,000	1.2
All Other Revenues*	<u>-269,000</u>	<u>212,000</u>	<u>-10.0</u>
Total	\$2,692,700	\$6,750,000	100.0%

* Revenues from several years of sales tax collections on boat purchases were transferred to the Department of Revenue in 2007-08.

Boating Enforcement and Safety Training. The Department utilizes conservation wardens to enforce the state's boating and related safety laws. During 2007-08, conservation wardens recorded 46,100 hours on this activity and issued 4,439 citations for boating-related violations. Funds from the boat registration account also support (in conjunction with the snowmobile and ATV accounts) an integrated on-line boat, snowmobile, and ATV registration processing system.

The Department's safety training program disseminates boating safety information and administers a statewide program of safety courses conducted by local instructors trained, certified and supervised by DNR conservation wardens. The course material presented covers general boating laws and safety tips for the operation of all types of watercraft. Under 2005 Act 356, anyone born after January 1, 1989 is required to take the course and obtain a certificate in order to operate a motorized boat without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In fiscal year 2008, 4,445 people received certificates in 262 boat safety courses offered throughout the state.

Table 13: Boat Registration Account Expenditures

Expenditure Categories	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
State Boating Enforcement and Safety	2,315,800	2,876,700	41.7%	21.00
Boating Enforcement Aids	1,400,000	1,400,000	25.2	0.00
Administration and Technology	316,400	331,800	5.7	2.93
Customer Assistance and Licensing	1,331,100	1,100,500	24.0	14.33
Enforcement and Science Management	68,600	83,000	1.2	0.68
Resource Acquisition and Development	10,500	8,200	0.2	0.00
Education and Safety	22,200	34,300	0.4	0.00
Handling Fees	<u>87,700</u>	<u>27,000</u>	<u>1.6</u>	<u>0.00</u>
Total	\$5,552,300	\$5,861,500	100.0%	38.94

Boating Enforcement Aids to Municipalities. The Department distributes aids to municipalities for the costs of local boating law enforcement, search and rescue, and safety activities. Municipalities are eligible for up to 75% of their approved costs, but aid payments are prorated if claims exceed the appropriation level. No municipality may receive aid amounting to more than 20% of the funds available. For enforcement activities that occurred in calendar year 2007, 103 municipalities received reimbursements totaling \$1.8 million (including \$400,000 in federal funds), which represented 72% of the almost \$2.5 million in eligible local water patrol activities.

Table 13 identifies expenditures from the boat registration account for the 2007-09 biennium.

All-Terrain Vehicle Account

The Department administers a state recreational program for all-terrain vehicles (ATVs).

Revenue

The main source of revenue to the ATV account is from ATV registrations. An ATV may not be operated in the state unless it is registered with DNR,

subject to certain exceptions. Fees for ATV registrations were increased in April, 2004, under 2003 Act 251. This was the first ATV registration fee increase since the program was created as part of the 1985-87 biennial budget act. A fee of \$30 (increased from \$12 under Act 251) is assessed for a public operation permit, which is valid for a two-year period. The fee for a private operations permit, under which an ATV may be operated on private property only, was increased to \$15 (from \$6). A private operations permit is valid until the ownership of the vehicle is transferred. In addition, a commercial ATV registration fee of \$90 (increased from \$36) is required.

2003 Act 251 also created a non-resident trail pass for all-terrain vehicles. ATVs not registered in Wisconsin are required to display an annual trail use sticker to use public ATV corridors beginning April 28, 2004. Prior to 2007 Act 20, the fee for the annual sticker was set at \$18. Act 20 increased the fee to \$35 for a non-resident trail pass for all-terrain vehicles effective July 1, 2008. Trail passes expire on June 30 of each year.

Revenue is also derived from a transfer of ATV fuel tax revenue to the account. The transfer is made annually, which equals the number of registered ATVs as of the last day of February of the previous fiscal year multiplied by the amount of motor fuel tax assessed on 25 gallons of gasoline

as of that date. For 2008-09, \$1,810,045 from this transfer will be available for the ATV account, based on the number of ATVs registered for public use on February 28, 2008, and the motor fuel tax rate as of that date (234,310 ATVs x 25 gallons x 30.9¢ per gallon).

Other sources of revenue to the account include: (a) ATV safety certificate fees, and (b) 1% of the total sales tax revenue DNR collects from people who have purchased ATVs and have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 14 shows 2007-08 actual and 2008-09 estimated revenue to the all-terrain vehicle account.

Table 14: All-Terrain Vehicle Account Revenue

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total
ATV Registrations	\$3,750,900	\$3,750,000	63.2%
Fuel Tax Transfer	1,815,200	1,810,000	30.6
Interest Income	65,800	45,000	1.1
Safety Certification Fees	41,800	35,000	0.7
Non-Resident Trail Pass	267,300	475,000	4.5
Handling Fees	44,400	13,500	0.7
All Other Revenues*	<u>-54,900</u>	<u>5,000</u>	<u>-0.9</u>
Total	\$5,930,500	\$6,133,500	100.0%

* Revenues from several years of sales tax collections on ATV purchases were transferred to the Department of Revenue in 2007-08.

Expenditures

Local ATV Trail and Project Aids. Towns, villages, cities, counties and federal agencies can receive grant funding from the ATV account for any of the following types of ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs. The state supports approximately 1,400 summer trail miles, and almost 4,000 winter miles which are managed by local units of government. In

addition to local aids, funding is also provided from the ATV account for the same acquisition, development and maintenance projects on state-owned ATV areas and trails. In 2004, DNR promulgated an administrative rule that increased its rate of reimbursement for summer ATV trail maintenance work from \$220 per mile to \$450 per mile and from \$80 per mile to \$100 per mile for winter trail miles.

Additionally, 2007 Act 20 provided \$10,000 SEG in 2007-08 from the ATV account to provide grants (not to exceed \$2,000 to any county) to Florence, Forest, Langlade, Lincoln, Marinette, Oneida, Sawyer, and Washburn counties and to municipalities (a city, village, or town) within those counties for a pilot program to investigate the effects of using lightweight utility vehicles on trails and roadways that are currently authorized to be used by all-terrain vehicles. The act directed DNR to administer the pilot program in consultation with the Department of Transportation (DOT). The program is scheduled to sunset on September 30, 2009.

Landowner Incentive Program. In addition to increasing the fee for a nonresident trail pass from \$18 to \$35, 2007 Act 20 creates an ATV landowner incentive program and deposits revenues from the non-resident ATV trail pass in an appropriation to be used for the program beginning in 2008-09. Under the act, DNR awards incentive grants to private landowners who permit public all-terrain vehicle corridors on their lands. Landowners receive annual incentive payments at the following rates based on the number of days the trail was open for public use during the previous fiscal year: \$25 for each mile that was open for public use for at least 60 but less than 180 days; (b) \$75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) \$100 for each mile that was open for public use for 270 days or more. Approximately \$410,000 is available for the program beginning in 2008-09 (\$190,000 in new revenue from the increased trail use fee and \$220,000 of revenue previously available for general ATV account appropriation).

State Trail Projects. Trails that accommodate

ATVs on state property, including parks, are allocated maintenance, rehabilitation, and development funds of \$313,600 in 2008-09. The state maintains approximately 150 miles of trails.

State Enforcement and Safety Training. Part of the workload of conservation wardens is the enforcement of state ATV laws. During 2007-08, wardens recorded 15,200 hours on this activity and issued 1,820 citations for violations related to ATVs. The Department's safety training program disseminates ATV safety information and administers a statewide program of safety courses conducted by local instructors who are trained, certified and supervised by DNR conservation wardens. The course material presented covers general ATV laws and safety tips for the operation of all ATVs.

ATV Trail Safety Grant. The 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 (currently the National Off-Highway Vehicle Insurance Services Group, Inc. or NOHVIS), to assist DNR in promoting the operation of ATVs in a safe and responsible manner, recruiting and training volunteer ATV safety instructors and "trail ambassadors," and im-

proving relationships with groups that promote recreational ATV operation.

County Enforcement Aids. The Department also distributes aids to counties for the costs of local patrol units charged with ATV law enforcement. Counties may receive up to 100 percent of eligible costs, but aid payments are prorated if claims exceed the appropriation level. For enforcement activities that occurred in 2007-08, 29 counties applied for reimbursements totaling \$322,600. County enforcement aids were increased from \$200,000 to \$500,000 beginning in 2007-08.

Education and Safety. The statutes require that youth born on or after January 1, 1988 must have an ATV safety training certificate in order to operate an ATV without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In calendar year 2007, 7,614 students received certificates upon successfully completing one of the ATV safety courses offered throughout the state.

Summaries of 2007-09 biennial expenditures from the all-terrain vehicle account are presented in Table 15.

Table 15: All-Terrain Vehicle Account Expenditures

Expenditure Categories	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
Local ATV Trail and Project Aids	\$3,558,000	\$3,877,200	54.7%	0.00
Landowner Incentive Program	0	410,000	0.0	0.00
State Trail Projects	628,400	313,600	9.7	0.00
State Enforcement and Safety Training	1,121,500	1,267,500	17.2	9.00
ATV Trail Safety Grant	300,000	300,000	4.6	0.00
County Enforcement Aids	322,600	500,000	5.0	0.00
Education and Safety	28,600	44,400	0.4	0.00
Miscellaneous	500	0	0.0	0.00
Customer Assistance and Licensing	333,500	280,400	5.1	3.35
Administration and Technology	134,800	141,300	2.1	1.25
Enforcement and Science Program	29,400	35,500	0.1	0.29
Resource Acquisition and Development	3,800	3,000	0.5	0.00
Handling Fees	<u>44,400</u>	<u>13,700</u>	<u>0.7</u>	<u>0.00</u>
Total	\$6,505,500	\$7,186,600	100.0%	13.89

Snowmobile Account

The Department administers a snowmobile recreation program to develop and maintain a state-wide system of snowmobile trails and administer and enforce snowmobile laws. Unlike the other accounts in the conservation fund, which were administratively created by the agency, the snowmobile account is statutorily designated to ensure that certain revenues are utilized for specific purposes.

The Snowmobile Recreational Council provides recommendations to DNR and elected officials on matters related to snowmobile policy. The Council consists of 15 members appointed by the Governor with the advice and consent of the Senate for staggered, three-year terms. Under statute, at least five members of the council shall be from the territory north, and at least five members shall be from the territory south, of a line running east and west through the southern limits of the City of Stevens Point.

Revenue

The major source of revenue to 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 March of the previous fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.4. The transfer for 2008-09, which will be made available for trail aids under the formula, is expected to total \$4,631,524. This total is based on the number of snowmobiles registered on March 31, 2007, and the motor fuel tax rate as of that date (214,125 snowmobiles x 50 gallons per snowmobile x 30.9¢ per gallon x 1.4).

The next largest revenue source for the account is registration fees. A fee of \$30 is assessed for each snowmobile registered for general use in the state. 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. Other fees are charged for registering public use, commercial use and antique snowmobiles.

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. Prior to 2007 the fee for the annual sticker was \$18. 2007 Act 226, increased the fee to \$35 effective July 1, 2008. Approximately 40,000 stickers were sold in 2007-08.

In addition, the snowmobile program also receives revenues from: (a) registration transfer fees; (b) instruction fees paid by persons enrolled in snowmobile safety courses; and (c) 1% of the total sales tax receipts the Department collects from people who have purchased snowmobiles and who have not provided proof that a sales tax was paid (which is required before the vehicle can be registered).

Table 16 identifies revenue to the snowmobile account in 2007-08 and 2008-09.

Table 16: Snowmobile Account Revenue

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total
Fuel Tax Transfer	\$4,537,600	\$4,631,500	50.7%
Snowmobile Registrations	3,360,000	2,900,000	37.5
Nonresident Trail Pass	681,100	1,140,000	7.6
Investment Income	46,800	75,000	0.5
Registration Transfers	127,100	100,000	1.4
Safety Certification Fees	54,800	54,000	0.6
Refund Prior Year	28,900	30,000	0.3
All Other Revenues	<u>115,900</u>	<u>20,000</u>	<u>1.3</u>
Total	\$8,952,200	\$8,950,500	100.0%

Expenditures

Snowmobile Trail and Project Aids. The Department distributes aids to participating counties for the maintenance, development, and acquisition of land to support 18,670 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 the maintenance and development of 704.5 miles of snowmobile trails on state park, trail, recreation area, and forest lands.

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 snowmobile club contracting with DNR for work on a state property is eligible for supplemental trail aid payments if actual eligible costs exceed the maximum of \$250 per mile and, of the costs incurred, actual trail grooming costs exceed \$150 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. Further, beginning in 2001-02, \$15 from each non-resident trail pass sticker sold in the prior year is also available for this purpose. If the supplemental aid payable to counties exceeds funding available from these two sources, the Department may either prorate payments or request that the Joint Committee on Finance take action to transfer funding from basic snowmobile trail aids for supplemental payments.

Table 17 provides a history of supplemental trail aid payments since the 40% multiplier was designated as a funding source. The table shows the total amount requested by counties, the amount paid in supplemental aids and the level of proration. Sup-

Table 17: Supplemental Snowmobile Trail Maintenance Payments

Snowmobile Season	Total Request	Total Payment	Percent of Request Paid
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
2000-01*	2,770,200	2,770,200	100.0
2001-02	589,200	589,200	100.0
2002-03	372,100	372,100	100.0
2003-04	2,394,000	1,915,500	80.0
2004-05	1,978,800	1,854,200	93.7
2005-06*	1,942,200	1,942,200	100.0
2006-07	1,068,800	1,068,000	100.0
2007-08*	3,856,100	2,395,700	62.1

*Payments for these seasons were supplemented through action by the Joint Committee on Finance.

plemental payments for a snowmobile season are paid in the following fiscal year.

County Enforcement Aids. The Department provides aids to counties for up to 100% of eligible county costs of enforcing snowmobile laws. Aid payments are prorated if claims exceed the appropriation level. For enforcement activities that occurred over the winter of 2007-08, 41 counties requested reimbursements totaling \$462,500. State reimbursement represented 86.5% of the eligible costs of their local snowmobile patrol activities. These requests were reimbursed in state fiscal year 2008-09. Base funding for county enforcement aids was increased from \$200,000 to \$400,000 annually beginning in 2001-02.

State Snowmobile Trails and Areas. Funding is provided annually for the development and maintenance of snowmobile trails on state properties. \$211,800 is provided in 2008-09.

Education and Safety. DNR is responsible for state enforcement of snowmobile laws by DNR conservation wardens and coordination of snowmobile safety programs. In 2007-08, the Department's war-

Table 18: Snowmobile Account Expenditures

Expenditure Categories	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
Local Snowmobile Trail and Project Aids	\$7,034,600	\$7,732,800	84.7%	0.00
Snowmobile Aids Administration	175,600	192,900	2.1	1.50
County Enforcement Aids	297,400	400,000	3.6	0.00
State Snowmobile Trails and Areas	208,700	211,800	2.5	0.00
Education and Safety	37,600	58,300	0.5	0.00
Miscellaneous	1,000	0	0.0	0.00
Administration and Technology	22,000	23,000	0.3	0.20
Customer Assistance and Licensing	429,000	354,800	5.2	4.74
Resource Acquisition and Development	1,400	1,100	0.0	0.00
Handling Fees	<u>94,700</u>	<u>29,200</u>	<u>1.1</u>	<u>0.00</u>
Total	\$8,302,000	\$9,003,900	100.0%	6.44

dens recorded 15,200 hours on this activity and issued 1,597 snowmobile citations.

The Department is also responsible for coordinating snowmobile safety courses taught by instructors certified by DNR. Any person born after January 1, 1985, must hold a valid snowmobile safety certificate in order to operate a snowmobile. In 2007-08, 7,499 people received certificates upon successfully completing one of the snowmobiling safety courses offered throughout the state.

Table 18 identifies expenditures from the snowmobile account for the 2007-09 biennium.

Endangered Resources Account

Revenue

A voluntary income tax check-off program was created in 1983 to support DNR's endangered resources protection program. Individual income taxpayers can donate a portion of their tax refund or, if taxes are due, include an additional amount with their tax payment for the endangered resources program. Beginning with tax year 2001, corporate income taxpayers are also allowed to participate in the check-off program. After deducting the costs it incurs for collecting the donated

amounts, the Department of Revenue forwards the check-off revenue to DNR for deposit in the conservation fund.

For tax year 2007, 22,791 returns included the endangered resources checkoff for a total of \$407,000, with an average donation of \$17.86 per return. After deducting Department of Revenue administrative expenditures, DNR received \$398,500 in 2007-08.

1993 Act 415 created an endangered resources license plate (depicting a timber wolf and rising moon) that became available starting January 1, 1995. The \$25 additional annual fee required to buy the plate is credited to the account. In 2007-08, endangered resources license plates generated \$411,300 (15,755 currently registered endangered resources plates), bringing the total revenue generated by plate sales since their introduction to over \$6.7 million.

Check-off revenues and other donations are statutorily matched up to \$500,000 annually from general purpose revenues (GPR).

Other revenue to the account would include the sale of resident wild ginseng harvest and Class A resident wild ginseng dealer licenses, sale of wild rice harvesting permits, and revenue from timber harvests in state natural areas.

Expenditures

The endangered resources account supports Bureau of Endangered Resources efforts regarding the inventory of species and natural communities, determinations on the status of native plants, coordinating research, surveys, and habitat projects and managing state natural areas. Examples of these projects include implementing a habitat conservation plan for the Karner Blue butterfly, devising a management plan for timber wolf in the state, implementation of the endangered species act, and the development and implementation of plans to protect and manage Wisconsin's biological diversity, monitoring nesting boxes for peregrine falcons, managing state natural areas, and the collection of monitoring data. Also, DNR has successfully reintroduced trumpeter swans to Wisconsin, and the bald eagle was removed from the state's endangered species list in 1997.

Funds from tribal gaming program revenue were allocated in the 1999-01 biennial budget to fund a 0.5 wildlife biologist position for work related to the reintroduction of the whooping crane to Wisconsin. Wildlife officials on the Joint U.S./Canada Whooping Crane Recovery Team designated central Wisconsin (in the vicinity of the Necedah National Wildlife Refuge) to be the site for reintroduction of a migratory flock of the endangered whooping crane. A migration of whooping cranes led by an ultralight aircraft from the Necedah National Wildlife Refuge to the Gulf Coast of Florida has been completed each year since the fall of 2001. Under 2001 Act 16, 0.5 position was provided from the fish and wildlife account to increase efforts related to the reintroduction of the whooping crane.

Although the agency may expend all monies it receives from the endangered resources tax check-off and sales of the endangered resources license plate, the statutes require that 3% of this amount in any fiscal year, not to exceed \$100,000, be allocated for endangered wildlife damage control and payments of claims for damage associated with endangered species. A provision in the 1999-01

biennial budget specified that damage caused by gray wolves would remain eligible for payment under the endangered resources wildlife damage program, regardless of whether gray wolves were listed as an endangered or threatened species. In 2007-08, \$85,700 was paid in damage claims, (all of which was related to damage caused by wolves). DNR may also use its GPR appropriation for endangered resources to pay damage claims.

Table 19 identifies 2007-08 and 2008-09 revenue to, and expenditures from, the endangered resources account.

Table 19: Endangered Resources Account

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total	2008-09 Staff
License Plate Sales	\$411,300	\$375,000	30.7%	
Income Tax Check-off	398,500	380,000	29.8	
Other Revenue	<u>528,900</u>	<u>500,000</u>	<u>39.5</u>	
Total	\$1,338,700	\$1,255,000	100.0%	
Expenditures	\$1,163,800	\$1,250,000		15.00

Natural Resources Magazine Account

Revenue

The statutes authorize the Department to issue and distribute a magazine containing information on resource management and related subjects. The direct costs of the agency's bi-monthly publication, Wisconsin Natural Resources, are entirely funded from subscription, single copy and reprint sales. The magazine carries no advertisements. The current subscription rates (including an annual \$1 shipping and handling fee) are \$8.97 for one year, \$15.97 for two years and \$21.97 for three years. The retail price of the magazine is \$3 per issue. The rates are intended to recover the magazine's production costs.

Conservation patron license holders receive an

annual subscription to the magazine as part of the license. A portion of the revenue from the sale of patron licenses is deposited in the natural resources magazine account to reflect the number of subscriptions attributable to patron license holders.

Approximately 86,000 people subscribe to the magazine. In addition, a small number of single copies are available at retail stores.

Expenditures

Account revenues support 3.5 positions within the agency's Bureau of Communication and Education, who are responsible for producing the magazine. In addition, revenues are also used to fund the printing and distribution of Wisconsin Natural Resources. Articles and photographs that appear in the magazine are contributed by DNR employees and persons outside of the agency, who do not receive cash compensation for their submissions.

Table 20 identifies revenue to and expenditures from the magazine account for the 2007-09 biennium.

Table 20: Natural Resources Magazine Account

Revenue Sources	2007-08 Actual	2008-09 Estimate	2007-08 % of Total	2008-09 Staff
Magazine Subscriptions	\$259,400	\$255,000	35%	
Conservation Patron Allocation	463,500	445,000	62	
Reprint Sales	4,300	75,000	1	
Other Revenue	<u>15,000</u>	<u>15,000</u>	<u>2</u>	
Total	\$742,200	\$790,000	100%	
Expenditures	\$891,200	\$900,000		3.50

Motorcycle Recreation Account

The motorcycle recreation program was eliminated, with 2005 Act 25 requiring that any remaining balance as of July 1, 2005 in the motorcycle ac-

count (\$86,500) be transferred to an appropriation supporting the development of ATV off-road trail projects in the ATV account.

Between 1981 and 2005, the only revenue source to the motorcycle account was the investment income earned on the account's cash balance. Prior to 1981, the account was also funded by a \$2 surcharge on motorcycle registrations.

DNR had provided aids to municipalities and federal agencies for the acquisition, development, operation and maintenance of off-the-road motorcycle trails and facilities. In addition, DNR funded development and maintenance activities for existing off-the-road trails at the Bong Recreation Area (Kenosha County) and the Black River State Forest (Jackson County).

General Conservation Fund

Revenue

All of the accounts in the conservation fund receive investment income earned on the balance of the overall fund. DNR uses the monthly cash balance in each account of the conservation fund to distribute investment income to each of the accounts. The amount of investment income that is credited to each account is determined by the percentage that the cash balance of an individual account is of the overall cash balance in the conservation fund at the end of a given month. In addition, revenue from hunter safety, boat safety, ATV safety, and snowmobile safety course fees and handling fees associated with license issuance are deposited in the conservation fund.

Expenditures

A number of expenditures are common to more than one account within the conservation fund. The amounts paid for these expenditures are in-

tended to reflect the estimated share that each account's programs contribute to the overall expenditure. These expenditure categories may also receive funding from other sources, such as the general fund, environmental fund or federal revenues. For example, DNR water program management receives GPR support for 8.0 positions in addition to conservation fund SEG. These expenditure categories include: (a) administration and technology services; (b) customer assistance and licensing; (c) division management- including enforcement and science management, land program management, and water program management; (d) facilities and lands operations; (e) science services operations; (f) endangered resources operations; (g) administrative facility repair and debt service; (h) aids in lieu of taxes; (i) rent and property maintenance; (j) taxes and assessments; (k) education and safety; and (l) handling fees. Table 21 identifies 2007-08 actual expenditures and 2008-09 appropriated amounts for these split-funded expenditure categories. In 2008-09, \$49 million is budgeted for these purposes out of total conservation fund expenditures of \$240 million.

Administration and Technology Services. Funding provides for the overall management and direction of the Department as well as support services utilized by all of the programs within the De-

partment. The management component includes the Secretary of the Department, management specialists and support staff. The other support services provided include legal, financial and information technology services; budget and human resource management; and field services (such as inventory control, fleet management and procurement and aviation services). All accounts contribute to the Division of Administration and Technology services except the endangered resources and natural resources magazine accounts

Community Assistance and Licensing. Funds are provided for many of the major customer service needs of DNR, including hunting and fishing license sales, recreational vehicle registrations, environmental permits, and the customer service call and dispatch center. The program also staffs communication and education initiatives (including DNR's minority internship program and the MacKenzie Environmental Center), and the administration of several of the Department's local grant programs. The Department's liaisons to the Legislature, businesses and tribal, local, and federal governments are also part of this program. Management of the DNR regional offices and as well as record-keeping and internal auditing is also housed under this program.

Table 21: Split-Funded Appropriation Expenditures

Revenue Sources	2007-08 Actual	2008-09 Appropriated	2007-08 % of Total	2008-09 Staff
Administration and Technology Services	\$14,649,100	\$15,361,400	29.3%	135.73
Customer Assistance and Licensing	13,971,000	11,481,900	27.9	132.62
Land Program Management	992,400	941,400	2.0	8.00
Enforcement and Science Management	555,400	671,800	1.1	5.50
Water Program Management	15,100	19,000	0.0	0.00
Bureau of Facilities and Lands	7,226,300	7,650,700	14.5	73.20
Bureau of Science Services	1,737,500	2,338,500	3.5	18.90
Bureau of Endangered Resources	672,600	727,800	1.3	7.50
Administrative Facility Repair and Debt Service	2,592,400	3,174,300	5.2	0.00
Aids in Lieu of Taxes	4,776,800	4,780,000	9.6	0.00
Resource Acquisition and Development	1,260,400	1,274,900	2.5	0.00
Rent and Property Maintenance	644,200	8,400	1.3	0.00
Taxes and Assessments	185,100	300,000	0.4	0.00
Education and Safety	220,200	341,000	0.4	0.00
Handling Fees	<u>499,900</u>	<u>154,000</u>	<u>1.0</u>	<u>0.00</u>
Total	\$49,998,400	\$49,225,100	100.0%	381.45

Division Management. The fish and wildlife, forestry and parks accounts all contribute funding to the management of the Division of Land. In addition, the fish and wildlife, water resources, boat registration, and ATV accounts contribute to the management of the Division of Enforcement and Science. The fish and wildlife and water resources accounts contribute to the management of the Division of Water. The management staff of the DNR divisions is responsible for developing and implementing policy for their overall divisions and include the division administrators, deputy administrators, and regional management.

Bureau of Facilities and Lands. The Bureau of Facilities and Lands in the Division of Lands is responsible for managing and maintaining the Department's administrative facilities, planning and implementing the agency's land acquisition program and capital development budget, maintaining land records and directing the payment of property taxes and aids in lieu of taxes to affected local governments. Civil engineering, construction activities and contract management for environmental remediation on DNR properties are also undertaken by this Bureau. The fish and wildlife, forestry, and parks accounts contribute funding.

Bureau of Science Services. The Bureau of Science Services in the Division of Enforcement and Science is partially funded from the fish and wildlife and forestry accounts. The Bureau coordinates the various aspects of the Department's ecological, environmental and sociological research program. Science Services both operates research facilities and manages contracts with outside facilities. The Bureau certifies operations of environmental facilities including operators of wastewater treatment systems, water supply systems, incinerators, sanitary landfills and septage service businesses. Science Services also collects environmental fees. The Bureau also provides technical writing, editing, and publication support to other DNR program staff.

Bureau of Endangered Resources. The fish and

wildlife, forestry, and parks accounts contribute to the Bureau of Endangered Resources in the Division of Land. The Bureau works with a variety of stakeholders to identify, protect, and manage native plant and animal species. Bureau responsibilities include statewide inventory and monitoring work, research related to species and habitat analysis, and facilitating data collection through Department and citizen-based initiatives.

Administrative Facility Repair and Debt Service. Funding is budgeted to maintain DNR buildings on state-owned properties and to finance the debt service on bonds used to pay for the construction of certain buildings. All accounts contribute to administrative facility repair and maintenance except the endangered resources and natural resources magazine accounts

Aids in Lieu of Property Taxes. DNR provides aids to cities, villages or towns in lieu of property taxes for DNR-owned land within each municipality, budgeted at \$10,780,000 in 2008-09 (\$6,000,000 GPR and \$4,780,000 SEG). Segregated funds come primarily from the forestry account, but also from the fish and wildlife and parks accounts.

Payments vary depending on when the land was purchased. The aid payment for land purchased prior to July 1, 1969, is 88¢ per acre. (Prior to 1997 Act 27, this rate was 80¢ per acre.) For land purchased after July 1, 1969, and through December 31, 1991, payments are based on the statewide average property tax rate for municipal, county and school taxes for the tax year after purchase applied to the land's assessed value. For this latter category of land, each year after the initial year the payment is reduced by 10% of the first year amount until the 10th year or until a payment of 50¢ per acre is reached.

For land the Department purchased after December 31, 1991, DNR pays each municipality an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased (generally the purchase price), adjusted

annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality that receives the payment from DNR pays each taxing jurisdiction a proportionate share of the payment, based on its levy. From 1993-94 until 2002-03, all aids in lieu of taxes payments made for properties purchased after December 31, 1991, were supported entirely by a sum-sufficient GPR appropriation. Under 2003 Act 33, a sum certain segregated revenue appropriation from the forestry account of the conservation fund was created. Under current law, these payments are supported from both the sum sufficient GPR appropriation and the sum-certain forestry SEG appropriation, with the first draw made on forestry SEG (appropriated at \$4 million in 2008-09).

Resource Acquisition and Development. Funds from the fish and wildlife forestry and parks accounts (\$898,100) are utilized for land acquisition, development, and improvement of fish refuges and game refuges. In addition, funds from the fish and wildlife, forestry, parks, boat registration, ATV, and snowmobile accounts (\$376,800 budgeted in 2008-09) are utilized for the acquisition, development, and construction costs of new facilities and maintenance costs of existing buildings within the respective programs. For example, funding has been used to rehabilitate fish hatcheries and renovate several DNR service centers.

Taxes and Assessments. Taxes and assessments levied against DNR are paid in part from the fish and wildlife, forestry and parks accounts. These assessments most commonly occur when a local government undertakes an infrastructure improvement that also affects DNR property (such as the extension of sewer lines by the city of Baraboo to Devil's Lake State Park). The locality then assesses DNR some amount for the cost of the improvement.

Rent and Property Maintenance. These two continuing appropriations are supported by all revenues received for the rental of DNR property

or equipment by members of the public or other agency staff. Funds are used for the maintenance or replacement of the property or equipment. This may include shared office space payments, and logging or other heavy equipment use. In 2007-08 monies were expended from the fish and wildlife, forestry, and parks accounts.

Education and Safety. Revenue from hunter safety, boat safety, ATV safety, and snowmobile safety course fees is deposited in this appropriation in the account corresponding to the safety course (fish and wildlife, boat registration, ATV, and snowmobile accounts). Expenditures are then made from each account to support operation of the safety education courses (such as the costs of supplies, copying and instructor mileage).

Handling Fees. Revenue from a \$3 handling fee is used to cover the costs associated with issuing licenses that are requested by mail, telephone or purchased on the internet and includes credit transaction fees, mailing costs and personnel costs that are necessary to process the credit transactions.

Appendices

Following are five appendices which provide additional information about the conservation fund. Appendix I shows estimates of the overall condition statement for the conservation fund (based primarily on projections included in DNR's biennial budget request). Appendix II describes the most recent fee increases and current fees assessed for hunting and fishing licenses and permits and the total number sold during 2007-08. Appendix III identifies vehicle admission fees and camping fees assessed for state park and forest properties. State parks and recreation areas and their locations are shown in Appendix IV. Appendix V identifies the most recent fee increases and fees assessed for boat registration.

APPENDIX I

Conservation Fund Condition Statement 2007-09 Biennium

	Fish and Wildlife	Forestry	Parks	Water Resources	Boat Registration	All-Terrain Vehicle	Snowmobile	Endangered Resources Magazine	Natural Resources Magazine	Total Conservation Fund
2007-08 Actual										
Opening Balance	\$21,055,600	\$18,043,900	\$3,027,400	\$13,315,600	\$3,257,300	\$6,735,300	\$5,286,200	\$1,517,000	\$901,600	\$73,139,900
Revenue	75,960,900	103,974,900	14,669,800	13,818,800	2,692,700	5,930,500	8,952,200	1,338,700	742,200	228,080,700
Expenditures	<u>81,763,000</u>	<u>99,950,300</u>	<u>14,325,800</u>	<u>13,751,300</u>	<u>5,552,300</u>	<u>6,505,500</u>	<u>8,302,100</u>	<u>1,163,800</u>	<u>891,200</u>	<u>232,205,300</u>
Closing Cash Balance	\$15,253,500	\$22,068,500	\$3,371,400	\$13,383,100	\$397,700	\$6,160,300	\$5,936,300	\$1,691,900	\$752,600	\$89,015,300
2008-09 Estimate										
Opening Balance	\$15,253,500	\$22,068,500	\$3,371,400	\$13,383,100	\$397,700	\$6,160,300	\$5,936,300	\$1,691,900	\$752,600	\$89,015,300
Revenue	76,652,500	107,795,700	15,194,400	13,505,500	6,750,000	6,133,500	8,950,500	1,255,000	790,000	237,027,100
Expenditures	<u>80,477,300</u>	<u>105,797,600</u>	<u>14,970,400</u>	<u>14,340,000</u>	<u>5,861,500</u>	<u>7,186,600</u>	<u>9,003,900</u>	<u>1,250,000</u>	<u>900,000</u>	<u>239,787,300</u>
Closing Cash Balance	\$11,428,700	\$24,066,600	\$3,595,400	\$12,548,600	\$1,286,200	\$5,107,200	\$5,882,900	\$1,696,900	\$642,600	\$86,255,100
Encumbrances/Continuing Payplan and Lapses	\$6,977,700	\$12,126,000	\$578,600	\$10,684,900	\$52,800	\$4,364,000	\$5,204,500	\$550,000	\$250,000	\$40,788,500
Total Reserved	<u>1,500,000</u>	<u>1,800,000</u>	<u>300,000</u>	<u>0</u>	<u>90,000</u>	<u>50,000</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>3,760,000</u>
	\$8,477,700	\$13,926,000	\$878,600	\$10,684,900	\$142,800	\$4,414,000	\$5,244,500	\$550,000	\$250,000	\$44,548,500
Estimated Available Balance	\$2,951,000	\$10,140,600	\$2,716,800	\$1,863,700	\$1,233,400	\$743,200	\$678,400	\$1,146,900	\$392,600	\$21,866,600

APPENDIX II

Major Hunting and Fishing License Fee Changes and Fiscal Year 2007-08 Sales

	<u>2004 Fee</u>	<u>2008 Fee</u>	<u>Change to Prior Fee</u>	<u>2007-08 Licenses Sold</u>
Resident Hunting				
Small Game	\$16.00	\$18.00	\$2.00	94,441
Senior Small Game	8.00	9.00	1.00	13,083
Youth Small Game	9.00	9.00	0.00	16,592
Deer	20.00	24.00	4.00	412,267
Youth Deer	N.A.	20.00	N.A.	64,993
Bonus Deer	12.00	12.00	0.00	36,666
Antlerless Herd Control		0.00		849,620
Elk	45.00	49.00	4.00	0
Class A Bear	45.00	49.00	4.00	4,309
Class B Bear	14.00	14.00	0.00	6,813
Archery	20.00	24.00	4.00	176,518
Youth Archery	N.A.	20.00	N.A.	17,302
Wild Turkey	13.00	15.00	2.00	127,298
Extra Turkey Tag	N.A.	10.00	N.A.	63,569
Trapping	20.00	20.00	0.00	4,453
Nonresident Hunting				
Annual Small Game	\$80.00	\$85.00	\$5.00	6,786
Five-day Small Game	50.00	55.00	5.00	4,249
Deer	160.00	160.00	0.00	31,891
Bonus Deer	20.00	20.00	0.00	1,192
Antlerless Herd Control	N.A.	0.00	N.A.	46,928
Elk	251.00	251.00	0.00	0
Class A Bear	251.00	251.00	0.00	91
Class B Bear	110.00	110.00	0.00	320
Archer	160.00	160.00	0.00	8,632
Wild Turkey	60.00	60.00	0.00	4,719
Extra Turkey Tag	N.A.	15.00	N.A.	1,936
Furbearing Animal	160.00	160.00	0.00	66
Hunting Stamps				
Pheasant	\$7.25	\$10.00	\$2.75	42,838
Waterfowl	7.00	7.00	0.00	58,052
Wild Turkey	5.25	5.25	0.00	113,243
Resident Fishing				
Annual	\$17.00	\$20.00	\$3.00	494,916
Senior Annual	7.00	7.00	0.00	92,332
Youth Annual	7.00	7.00	0.00	32,545
Husband and Wife	29.00	31.00	2.00	111,676
Disabled	7.00	7.00	0.00	12,569
Disabled Veteran	3.00	3.00	0.00	2,472
Sturgeon Spearing	20.00	20.00	0.00	9,853
Sturgeon Hook and Line	N.A.	20.00	N.A.	852

	<u>2004 Fee</u>	<u>2008 Fee</u>	<u>Change to Prior Fee</u>	<u>2007-08 Licenses Sold</u>
Nonresident Fishing				
Individual:				
Annual	\$40.00	\$50.00	\$10.00	85,853
Fifteen-day	24.00	28.00	4.00	34,826
Four-day	18.00	24.00	6.00	95,526
Family:				
Annual	65.00	65.00	0.00	32,341
Fifteen-day	40.00	40.00	0.00	17,683
Sturgeon Spearing	50.00	65.00	15.00	136
Sturgeon Hook and Line	N.A.	50.00	N.A.	36
Fishing Stamps				
Inland Trout	\$7.25	\$10.00	\$2.75	132,239
Great Lakes Trout and Salmon	10.00	10.00	0.00	132,368
Two Day Great Lakes Fishing	14.00	14.00	0.00	52,172
Two Day Inland Lake Trout	N.A.	14.00	N.A.	674
Resident Multiple Licenses				
Conservation Patron	\$140.00	\$165.00	\$25.00	50,425
Junior Patron	75.00	75.00	0.00	4,645
Sports License	45.00	60.00	15.00	65,091
Junior Sports	35.00	35.00	0.00	3,316
Nonresident Multiple Licenses				
Conservation Patron	\$600.00	\$600.00	\$0.00	91
Junior Patron	75.00	77.00	2.00	909
Sports License	275.00	275.00	0.00	482
Junior Sports	35.00	36.00	1.00	3,255

Notes: Fees shown include the issuing fee, and the wildlife damage surcharge where applicable. Fee increase was effective on July 27, 2005.

APPENDIX III

State Parks and Forests Recreation Fees January 1, 2009

Vehicle Admissions	Fee
Resident	
Annual	\$25.00
Additional Annual	12.50
Daily Auto	7.00
Daily Bus	10.00
Senior Annual	10.00
Senior Daily	3.00
One Hour Admission	5.00
Nonresident	
Annual	\$35.00
Additional Annual	17.50
Daily Auto	10.00
Daily Bus	14.00
One Hour Admission	5.00
 State Trail Pass	
Resident or Non-Resident Annual	\$20.00
Resident or Non-Resident Daily	4.00
 Campground Sites	
State Parks and Southern Forests	
Resident, Per Night*	\$12.00 - 15.00
Non-Resident, Per Night*	14.00 - 17.00
Extra Charge for Electricity, Per Night	5.00
Extra Charge for Water View, Per Night	3.00
Northern Forests***	
Resident, Per Night*	\$9.00 - 12.00
Non-Resident, Per Night*	11.00 - 14.00
Extra Charge for Electricity, Per Night	5.00
Reservation Fee, Per Reservation	10.00
Reservation Cancellation Fee, Per Reservation	5.00
Reservation Change fee (for changing site or dates)**	8.00

*The upper end of these ranges reflect \$3 per night higher fees for camping at the following places: Big Bay State Park; Devil's Lake State Park; Copper Falls State Park; Council Grounds State Park; Governor Dodge State Park; Hartman Creek State Park; High Cliff State Park; Kohler-Andrae State Park; Mirror Lake State Park; Newport State Park; Pattison State Park; Peninsula State Park; Point Beach State Forest; Potawatomi State Park; and Willow River State Park.

**A person may change the beginning date of their stay or shorten their stay, as long as at least one day of the stay remains the same. To extend a stay or camp at a completely different time, a person must cancel the original reservation and make a new one.

*** DNR may charge additional fees based on campground amenities.

APPENDIX IV

State Parks and Recreation Areas Operated by DNR Parks Staff

Facility	Nearby City	County
1. Amnicon Falls	Superior	Douglas
2. Aztalan	Lake Mills	Jefferson
3. Big Bay	Bayfield	Ashland
4. Big Foot Beach	Lake Geneva	Walworth
5. Blue Mound	Blue Mounds	Iowa
6. Bong, Richard SRA	Kansasville	Kenosha
7. Browntown-Cadiz Springs SRA	Monroe	Green
8. Brunet Island	Cornell	Chippewa
9. Buckhorn	Necedah	Juneau
10. Capital Springs SRA	Madison	Dane
11. Chippewa Moraine SRA	New Auburn	Chippewa
12. Copper Falls	Mellen	Ashland
13. Council Grounds	Merrill	Lincoln
14. Devil's Lake	Baraboo	Sauk
15. Governor Dodge	Dodgeville	Iowa
16. Governor Nelson	Waunakee	Dane
17. Governor Thompson	Mountain	Marinette
18. Harrington Beach	Belgium	Ozaukee
19. Hartman Creek	Waupaca	Waupaca
20. High Cliff	Menasha	Calumet
21. Hoffman Hills SRA	Menomonie	Dunn
22.. Interstate	St. Croix Falls	Polk
23. Kinnickinnic	River Falls	Pierce
24. Kohler-Andrae	Sheboygan	Sheboygan
25. Lake Kegonsa	Stoughton	Dane
26. Lakeshore	Milwaukee	Milwaukee
27. Lake Wissota	Chippewa Falls	Chippewa
28. Merrick	Fountain City	Buffalo
29. Mill Bluff	Camp Douglas	Monroe
30. Mirror Lake	Baraboo	Sauk
31. Natural Bridge	Baraboo	Sauk
32. Nelson Dewey	Cassville	Grant
33. New Glarus Woods	New Glarus	Green
34. Newport	Ellison Bay	Door
35. Pattison	Superior	Douglas
36. Peninsula	Fish Creek	Door
37. Perrot	Trempealeau	Trempealeau
38. Potawatomi	Sturgeon Bay	Door
39. Rib Mountain	Wausau	Marathon
40. Roche-A-Cri	Friendship	Adams
41. Rock Island	Washington	Door
42. Rocky Arbor	Wisconsin Dells	Sauk
43. Straight Lake*	St. Croix Falls	Polk
44. Tower Hill	Spring Green	Iowa
45. Whitefish Dunes	Sturgeon Bay	Door
46. Wildcat Mountain	Ontario	Vernon
47. Willow River	Hudson	St. Croix
48. Wyalusing	Bagley	Grant
49. Yellowstone Lake	Blanchardville	Lafayette

SRA = State Recreation Area

*Use of Straight Lake State Park is limited to foot traffic only. Boats may be carried in for fishing.

APPENDIX V

**Boat Registration Fees
(Valid for Three Years)**

	<u>2006 Fee</u>	<u>2008 Fee</u>	<u>Increase</u>	<u>Percent Increase</u>
Non-Motorized				
Volunteer	\$9.75	\$11.00	\$1.25	13%
Sailboat	15.00	17.00	2.00	13
Motorized				
Under 16'	16.50	19.00	2.50	15
16' to 26'	24.00	28.00	4.00	17
26' to 40'	45.00	52.00	7.00	16
Over 40'	75.00	86.00	11.00	15
Fleet				
Fleet certification fee*	\$27.00	27.00	0.00	0
Non-Motorized Fleet				
Volunteer	4.88	5.50	0.62	13
Sailboat	7.50	8.50	1.00	13
Motorized Fleet				
Under 16	8.25	9.50	1.25	15
16' to 26'	12.00	14.00	2.00	17
26' to 40'	22.50	26.00	3.50	16
Over 40'	37.50	43.00	5.50	15
Transfer Registration Fees				
Under 16	\$3.75	3.75	0.00	0
16' to 26	\$5.75	5.75	0.00	0
Dealer /manufacturer fee	\$75.00	75.00	0.00	0

Notes: An additional \$5 title fee may be received for a new or transferred boat registration. Voluntarily registered boats may include canoes, kayaks, duck skiffs and other human-powered boats. Fee increase was effective on October 27, 2007.

*The fleet certification fee is applied to people who own and register three or more boats, and is paid in addition to the per boat fee shown. The fee is also required with a renewal. As shown in the table, the per boat fleet registration fee is equal to 50% of the nonfleet registration fee.