

FISCAL ESTIMATE
DOA-2048 (R 11/90)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Amendment No. if Applicable

Subject

Heritage Trust Fund Expenditure Changes and Creation of Shawano County Grant for Mt. Bay State Trail

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation

- Increase Existing Appropriation Increase Existing Revenues
- Decrease Existing Appropriation Decrease Existing Revenues
- Create New Appropriation

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Decrease Costs

Local: No local government costs

- 1. Increase Costs
 Permissive Mandatory
- 2. Decrease Costs
 Permissive Mandatory

- 3. Increase Revenues
 Permissive Mandatory
- 4. Decrease Revenues
 Permissive Mandatory

- 5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others
 School Districts VTAE Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.370(1)(eq), (5)(cz)

Assumptions Used in Arriving at Fiscal Estimate

This bill does the following: 1) makes a one-time redirection of \$280,000 from the Heritage Trust in FY 97 to be given as a recreational grant to Shawano County to spend on the Mountain Bay State Trail which is part of the state parks system; 2) allows state park Friends groups to use any funds raised as their portion of the matching grant requirement rather than only the interest from an endowment as under current law; 3) requires that a balance of \$100,000 be left in the Trust at all times as of June 30 of any fiscal year, beginning in FY 97.

This legislation only redirects who (Bureau of Parks and Recreation, State Parks Friends Groups and/or Shawano County) gets to spend the Heritage Trust Fund monies on the state park system and how Friends groups can match the grants. It does not affect the revenues that may be generated for the Trust. There is no anticipated annual fiscal impact to the Department. However, the one-time redirection of \$280,000 for Shawano County in FY 97 leaves less monies in the Heritage Trust fund for the individual state park, southern forest and recreation area Friends groups and the Bureau of Parks and Recreation to spend on the state parks system.

Long-Range Fiscal Implications

The redirection of \$280,000 from the Trust to Shawano County in the form of a grant limits the amount of monies available for individual friends groups and the DNR Bureau of Parks and Recreation to use on the state parks system. This legislation allowing Friends groups to use any funds raised instead of interest may deplete Trust funds faster than originally predicted.

Agency/Prepared by: (Name & Phone No.)

Natural Resources

David Hammer - 264-6034

Authorized Signature/Telephone No.

[Signature] 6-2794

Date

03/25/96

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

DOA-2047(R 11/90)

Subject

1995 SESSION

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB or BILL No./Adm.Rule No.
AB 1041

Amendment No.

Heritage Trust Fund Expenditure Changes and the Creation of a Shawano County Grant for the Mt. Bay State Trail

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):
\$280,000 grant to Shawano County in FY 97

II. Annualized Costs:

Annualized Fiscal Impact on State funds from:
Increased Costs Decreased Costs

A. State Costs by Category

State Operations-Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations-Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 0	\$ - 0

B. State Costs by Source of Funds

GPR	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED	\$	\$ -
PRO/PRS	\$	\$ -
SEG/SEG-S	\$ 0	\$ - 0

III. State Revenues-

Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fees, etc.)

Increased Rev. Decreased Rev.

GPR Taxes	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS		-
SEG/SEG-S		-
TOTAL State Revenues	\$ 0	\$ - 0

NET ANNUALIZED FISCAL IMPACT

	STATE	LOCAL
NET CHANGE IN COSTS	\$ 0	\$ 0
NET CHANGE IN REVENUES	\$ 0	\$ 0

Agency/Prepared by: (Name & Phone No.)
Natural Resources
David Hammer 264-6034
A:\LRB4833.PRM

Authorized Signature/Telephone No.
David Hammer 6-2794

Date
03/25/96

March 14, 1995

FILE REF: CE-1814

TO: Herbert Behnke, Chairman
Natural Resources Board

FROM: George E. Meyer *George*

SUBJECT: Proposed Sale of Easement to MRC Telecommunications Corporation, File #CE-1814

1. PARCEL DESCRIPTION:

Mountain-Bay State Trail
Brown, Oconto, Shawano and Marathon Counties

Grantor:

MRC Telecommunications, Inc.
P.O. Box 60, Grant Road
Rubicon, WI 53078

Acres: 94.5

Price: \$663,000

Interest: Sale of easement rights.

Location: The tract is a 10-foot-wide corridor extending from the west edge of Green Bay to the east edge of Wausau. There is a 5 mile gap at Shawano.

Present Use: Abandoned railroad grade to be developed as state trail.

Proposed Use: Public recreational trail; telecommunications corridor

2. JUSTIFICATION:

The Department proposes to sell an easement to MRC Telecommunications, Inc., along the Mountain-Bay State Trail in Brown, Oconto, Shawano and Marathon Counties for placement of an underground fiber optics cable. MRC will pay the Department \$663,000 for the easement. The project as a whole involves burying the cable along the former Chicago and NorthWestern Railroad (now state-owned) and others' right of ways for about 100 miles from Green Bay to Wausau. The easement will include a strip of land 10 feet wide adjacent to and paralleling the centerline of the former railroad. The easement will be structured to avoid any conflicts with trail development and operations. The state-owned corridor is approximately 78 miles in length. At \$8,500/mile, this offer is similar to the \$8,250 per mile paid by MCI on a 20.7 mile easement sold by the Department in 1992. Since the current easement is almost four times as long, the \$663,000 price is considered reasonable.

The Department of Administration has expressed some interest in securing telecommunications capacity from MRC as part of its project. If agreement is reached, any resulting reduction in the easement price will be paid by DOA to DNR. Thus, the net price to DNR of \$663,000 is not expected to change if DOA does secure telecommunications capacity. The easement is non-exclusive.

Placement of the fiber optics line will not adversely affect the recreational trail. Proceeds of the sale will be deposited in the land acquisition account and earmarked for state park land acquisition. If development funding is not adequate, a portion of the proceeds may also be used for such work as planking bridges and surfacing the Mountain-Bay State Trail.



Legislative Fiscal Bureau

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

March 22, 1996

TO: Representative Lorraine Seratti
Representative Tom Ourada

FROM: Bob Soldner, Fiscal Analyst

SUBJECT: Assembly Substitute Amendment to Assembly Bill 1041 (LRB 0599/1): Heritage State Parks and Forests Trust Fund and Grant Program

At your request, I am summarizing LRB 0599/1 and have estimated that under current law approximately \$675,000 SEG in 1996-97 from the heritage state parks and forests trust fund could be available to the Department of Natural Resources (DNR) for direct expenditure on the operation and maintenance of the state park system (which includes state parks, southern state forests and state recreation areas).

LRB 0599/1 would provide \$200,000 SEG in 1996-97, from the heritage state parks and forests trust fund, to DNR for the initial development and surfacing of the Mountain Bay State Trail (a trail between the Green Bay and Wausau areas). The substitute amendment would direct that these funds be considered one-time for purposes of calculating DNR's adjusted base for the 1997-99 biennial budget. LRB 0599/1 would create a continuing appropriation and repeal the appropriation on July 1, 1998. The substitute amendment would enumerate this project as part of the 1995-97 state building program. The Department of Administration would be directed to ensure that the initial development and surfacing of the Mountain Bay State Trail would be completed no later than October 1, 1997.

The substitute amendment would change the match ratio for grants from the heritage state parks and forests trust fund so that for every one dollar provided by a "friends" group, DNR would provide one dollar (compared to the current 50 cents). LRB 0599/1 would create a separate definition of a "friends" group and specify that a "friends" group would need to be organized for any of the following purposes: (a) to raise funds for a state park, a southern state forest or a state recreation area; or (b) to operate a state park, southern state forest or state recreation area under a written lease or other written contract with DNR.

The substitute amendment would expand the match grant funding sources to include a portion of "collected revenues." (Currently, only the interest generated by an endowment fund established for the benefit of a specific state park, southern state forest or state recreation area can be used.) The amount of "collected revenues" that could be used for matching funds would equal the amount of revenues a "friends" group deposits in its endowment fund. "Collected revenues" would be defined as revenues collected by a "friends" group from the operation of, or for the benefit of, a state park, a southern state forest or a state recreation area. Effective July 1, 2001, only the interest on the endowment fund would be eligible for purposes of providing the matching funds.

LRB 0599/1 would prohibit DNR from directly spending funds from the heritage state parks and forests trust fund for the operation and maintenance of the state park system until July 1, 2001. Beginning on July 1, 2001, the substitute amendment would allow DNR to spend up to \$50,000 annually for direct expenditure on the operation and maintenance of the state park system (in addition to providing grants). Currently, DNR can spend any amount not used for grants in a given year for direct expenditure on the operation and maintenance of the state park system. LRB 0599/1 would also direct DNR to maintain a minimum unencumbered balance of \$100,000 in the heritage state parks and forests trust fund, beginning on June 30, 1997, and every June 30th thereafter.

Unless otherwise noted, the provisions of the substitute amendment would take effect on July 1, 1996.

Please contact me if you have questions.

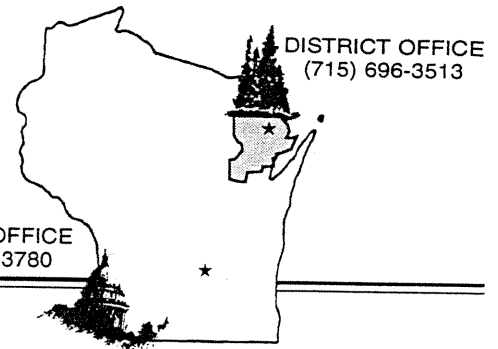
BS/dls

JORRAINE M.
SERATTI

STATE REPRESENTATIVE
10TH ASSEMBLY DISTRICT

P.O. Box 8953, State Capitol, Madison, WI 53708-8953
Toll-Free Legislative Hotline: 1 (800) 362-9472

MADISON OFFICE
(608) 266-3780



TESTIMONY ON AB 1041
MOUNTAIN BAY TRAIL FUNDING
ASSEMBLY COMMITTEE ON NATURAL RESOURCES
MARCH 26, 1996

Dear Chairman Johnsrud and members of the Natural Resource Committee:

I have introduced Assembly Bill 1041 on behalf of the Shawano County Parks and Recreation Department. They have brought to my attention some inequities and a new program designed to support the operation and maintenance of recreation areas throughout the state.

This program, known as the heritage state parks and forests trust fund (Heritage Fund) would be used for the operations and maintenance of state parks, state southern forests, and state recreation areas. The Heritage Fund would require qualified "friends" groups to have established an endowment fund for the benefit of a specific state park, state southern forest or state recreation area and to have entered into a written agreement with the DNR. The DNR would promulgate rules to establish criteria to be used in determining which "friends" groups and which activities related to the operations and maintenance of the state park system are eligible for the matching grants. The DNR would not be able to spend more than \$30,000 annually for grants to a particular "friends" group. These "friends" groups would only be able to use the interest generated by the specific endowment fund for purposes of providing the matching funds for the operation and maintenance of the particular property.

I fully support the preservation of the concept of the Heritage Fund, but feel the program needs some changes to make it more equitable for "friends" groups all across the state. The way the Heritage Fund is currently set up it prohibits other "friends" groups and counties from partaking in the fund, especially those "friends" groups in rural areas that may not be able to generate enough dollars in their fund to generate interest earnings to provide the required match. According to a Legislative Fiscal Bureau memo, DNR program staff estimate that only approximately three or four "friends" groups could apply for matching grants in 1996-1997.

The proceeds acquired from the sale of the easement rights to MRC Telecommunications Inc. for placement of underground fiber optic cable rights along the Mountain Bay Trail were deposited in the land acquisition account and earmarked for state park land acquisition. In a March 14, 1995 memo to Herbert Behnke, Chairman of the Natural Resource Board, from Secretary George Meyer it was stated, "If development funding is not adequate, a portion of

Chair: Small Business and Economic Development Committee • **Vice Chair:** Mandates Committee

Member: Ways and Means Committee • Children and Families Committee • Rural Affairs Committee
Special Committee on State and Federal Relations • Legislative Council • Governor's Council on Forestry
Council of State Government's, Midwest and Canada Relations Committee

the proceeds may also be used for such work as planking bridges and surfacing the Mountain Bay State Trail". A copy of this memo has been distributed to committee members.

Recently, the Shawano County Parks and Recreation Department approached myself and other legislators requesting our assistance in securing funding for the completion of the Mountain Bay Recreational Trail. This trail currently extends from Brown County, through Shawano County and ends in Marathon County. This trail has the potential to be used by many individuals in many capacities and will draw much needed tourism to the area. In order for this trail to be effective the entire trail needs to be fully completed. This is not the case on the Shawano County portion of the trail where additional limestone needs to be added to the surface of the trail bed in order to make the trail usable.

AB 1041 as amended, would provide \$200,000 in 1996-1997 from the Heritage Fund to DNR for initial development and surfacing of the Mountain Bay State Trail. This would be a one time appropriation and would make this project part of the 1995-1997 state building program.

Information from the Shawano Parks and Recreation Department showed that Shawano County spent \$40,000 on the construction of their portion of the trail. This was also offset with in-kind contributions from the Shawano County Snowmobile Association who volunteered to build 21 bridges and 47 miles of the trail. Also, Shawano County staff contributed over 100 hours with public meetings, trail management issues, property issues, public relations and administration of this project. In a comparison of other counties affected by the trail, Shawano County contributed the most as far as their own time and money.

AB 1041 as amended would change the match ratio for grants from the Heritage Fund so that every dollar provided by a "friends" group, DNR would provide one dollar compared to the current 50 cent match. A separate definition of a "friends" group is developed and specifies that a "friends" group would need to be organized for any of the following purposes: (a) to raise funds for a state park, southern state forest or state recreation area; or (b) to operate a state park, southern state forest or state recreation area under a written lease or other written contract with DNR.

The bill would also expand the match grant funding sources to include a portion of "collected revenues". Currently only the interest generated by an endowment fund can be used. The amount of "collected revenues" that could be used for matching funds would equal the amount of revenues a "friends" group deposits in the endowment fund.

Finally, AB 1041 would prohibit the DNR from directly spending funds from the Heritage Fund for the operation and maintenance of the state park system until July 1, 2001. After that time, the bill would allow DNR to spend up to \$50,000 annually for direct expenditure on the operation and maintenance of the state park system in addition to providing grants. The bill requires that the cash balance in the Heritage Fund not go below \$100,000.

Assembly Bill 1041 - Testimony
Rep. Seratti
page 3

While the current proposal of the Heritage Fund was well intended for future program needs, it has prohibited the complete development of the Mountain Bay State Recreational Trail and will create an inequitable distribution of funds for "friends groups" in the future. I would greatly appreciate your consideration of this proposal and take into account the positive impacts these changes will have upon Mountain Bay State Trail and on the program as a whole.