

2704

(Base) Agency: DNR - Stewardship
Local Assistance Subprogram

Recommendations:

Paper No. 263: Shibilski Motion

Comments: The resolution of papers 261 through 266 should be taken care of with the omnibus Shibilski motion. Possibly, papers 267 and 268 might also be rolled into the package.

This paper deals with Stewardship \$\$ for brownfields, whether federal funding will decrease a Stewardship grant, and funding for "recreational" projects.

After much prodding, Shibilski is willing to earmark \$8 million a year for local governments (note: I'm not sure if he includes the \$1 million annual set-aside for brownfields out of this pot or not). \$8 million a year for locals is about 18% of a \$45 million-a-year Stewardship program (i.e. the new one. That's less of a percentage of the total amount of funding (i.e. \$23.1 million a year) that locals can currently access - about 25% - but it's actually more money. Under the current Stewardship program, local governments can access about \$6 million a year. Under the new program, they can access \$8 million a year.

If the Shibilski motion fails, I would go with Alternative 1 in Part A; Alternative 3 in Part B; and Alternative 1 in Part C.

It's very important to maintain current law in Part B (i.e. alternative 3).

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Joint Committee on Finance

Paper #263

Local Assistance Subprogram (DNR -- Stewardship)

[LFB 1999-01 Budget Summary: Page 472-3, #5]

CURRENT LAW

Under the Warren Knowles-Gaylord Nelson stewardship program, the Department of Natural Resources may provide grants, generally given for 50% of the acquisition costs, to local units of government and nonprofit conservation organizations (NCOs) under the local park aids, streambank protection and urban green space components. Local units of government are eligible for urban rivers funding, while NCOs may receive funding from the natural areas acquisition, habitat areas, trails and Ice Age Trail components.

As part of the brownfields initiatives included in the 1997-99 biennial budget, DNR is required to give a higher priority to stewardship program grants to local units of government and NCOs under the urban green space, urban rivers and trails components of stewardship to those projects related to brownfields redevelopment (that is, projects where the use or expansion of abandoned, idle or underused industrial or commercial sites is adversely affected by actual or perceived environmental contamination).

BUILDING COMMISSION

Specify that funding from the local assistance subprogram can be obligated for grants for urban green space, local parks and urban rivers (all of which are components of the Warren Knowles-Gaylord Nelson stewardship program). Further, require the Department to establish a program by administrative rule to provide grants to cities, villages, towns and counties for up to 50% of the cost of other recreational projects. The rules would establish the types of eligible projects and other eligibility criteria for the program.

Require the Department to establish a system under which \$1 million from the local assistance subprogram be set aside in each fiscal year for grants for qualifying projects that relate to brownfields redevelopment.

Specify that if the state receives federal funding between fiscal years 2000-01 and 2009-10 from which cities, villages or towns would be eligible to receive money for the purposes of the local assistance subprogram, DNR allocate federal funding among the appropriate fiscal years for local assistance. Require the Department to reduce the annual bonding authority for the local assistance subprogram by an amount equal to the amount of federal funding received and allocated for each applicable fiscal year. Require the Department to reallocate 75% of the amount of state bonding freed up by the local assistance reduction to the land acquisition subprogram and 25% to the property development subprogram.

DISCUSSION POINTS

Brownfields Provision

1. Department staff indicate that the provisions of the 1997-99 biennial budget did not result in major changes to the types of projects that received funding under stewardship. A number of projects that had a brownfields component received funding, but not at the expense of other eligible projects that did not have a brownfields component.
2. The administration indicates that this provision was included to establish a specific source of funding within stewardship for brownfields-related activity, given that the provisions of the 1997-99 budget did not have the desired effect of providing additional funding for brownfields efforts. Further, they indicate that under the Stewardship 2000 language, projects that have a brownfields component would not have to be funded ahead of projects that would rank higher on other grant selection criteria but that do not have a brownfields component.
3. Under the Building Commission's recommendations, the level of funding for the local assistance subprogram would increase from \$2.3 million in 2000-01 to \$9.6 million in 2009-10. Thus, the \$1 million annual allocation for brownfields represents a larger percentage of funding in the earlier years of the program (43% in 2000-01) than it does in the later years (10% in 2009-10). An alternative would be to provide a fixed percentage, rather than a fixed allocation, of funding for brownfields from local assistance. At the midpoint of the program in 2004-05, the \$1 million represents about 15% of local assistance funding. This percentage could be applied to each fiscal year of the program. Under this alternative, the amount set aside for brownfields would increase from \$345,000 in 2000-01 to \$1,440,000 in 2009-10.
4. The Brownfields Study Group recommended only that DNR carry out administrative reforms to clarify the relationship of brownfields to the stewardship program. To implement this recommendation, the Committee could extend current law provisions to the reauthorized stewardship program by requiring DNR to give a higher priority to grants from the local assistance subprogram of Stewardship 2000 to those projects related to brownfields

redevelopment. While this would not identify a particular funding stream for these grants, it would give the Department the ability to further clarify the relationship between brownfields and stewardship projects.

5. The Governor's Blue Ribbon Task Force on the Stewardship Program did not make any recommendations regarding the use of stewardship funding for brownfields redevelopment. Consistent with the Task Force's recommendation, the Committee could choose to not include any brownfields provisions under stewardship.

Federal Funding Provision

6. Administration officials indicate that the provisions allowing for the reallocation of local assistance subprogram funding to other categories within Stewardship 2000 was designed to give DNR the flexibility to leverage available sources of funding for outdoor recreation and conservation, consistent with the recommendations of the Task Force.

7. DNR initially indicated the provision allowing for the reduction of local assistance funding if federal funding was received for this purpose could preclude the state from receiving federal funding under the Land and Water Conservation Act (LAWCON). Federal law requires that LAWCON funding be used only to provide a net increase in overall funding available for outdoor recreation and conservation programs, not as a substitute for state funding.

8. However, staff at the National Park Service indicate that, to the extent that stewardship funding is reallocated to other subprograms, rather than supplanted, it should be allowable under LAWCON regulations.

9. While the federal authority for LAWCON has been in place since the 1960s, funding has not been appropriated since 1995. DNR and Park Service staff indicate that under some proposals being considered by the U.S. Congress, Wisconsin could be eligible for between \$4 million and \$8 million in LAWCON funds in the future. The level of LAWCON funding provided by the federal government will likely not be determined until the fall as part of the federal 1999-2000 budget.

10. While the provision for reallocating local assistance subprogram funding may be allowable under federal regulations, it could still be argued that local assistance represents a commitment on the part of the state to be a partner with local units of government and NCOs in conservation and recreation projects. Reducing that commitment if federal funding becomes available to provide additional funding for state conservation could be seen as weakening the state-local partnership aspect of stewardship.

11. Another option would be to reallocate a portion of local assistance subprogram funding if federal funding becomes available for the same purposes. The base allocation for the local assistance subprogram is 20% of the overall annual bonding authority. The Committee could specify that 20% of funding be retained in the local assistance subprogram while the remaining 80% could be redistributed as recommended by the Building Commission.

Other Recreational Projects Provision

12. The Governor's Blue Ribbon Task Force on the Stewardship Program recommended that the Natural Resources Board promulgate rules that define outdoor recreational activities that are consistent with any reauthorized stewardship program and that would be eligible for funding.

13. Administration officials indicate that this provision was included to give the Department and the Natural Resources Board additional flexibility under the proposed Stewardship 2000 program to more comprehensively address the projects that should be given priority and allow any gaps in the current program to be addressed.

14. However, the Department has already promulgated rules under the local park aids component of stewardship to define the types of outdoor recreational projects deemed appropriate for receiving stewardship funding for eligible recreational projects. Examples of eligible acquisition activities for local park aids grants include areas with frontage on rivers, streams or lakes that will provide water-based public outdoor recreational opportunities and land for day-use picnic areas or recreational trails. Examples of eligible development activities include facilities for swimming, picnicking, boating, hunting, fishing, sightseeing, camping, and winter sports. Playgrounds, playing fields, tennis courts, trails and bike paths are also among the development projects eligible for state funding. Costs associated with the operation and maintenance of outdoor recreational facilities are not eligible for state aid.

15. DNR and administration staff did not provide any specific suggestions of classes of activities that could be made eligible under the proposed provision. It is unclear whether this authority would be used to make currently ineligible expenses (such as the development of professional sports facilities, amusement facilities or waterslides) allowable under stewardship or to otherwise expand the list of eligible projects.

16. Given that the authority to promulgate rules for eligible recreational activities exists under the local park aids program and that the Department could revise these rules under the current or reauthorized stewardship programs, the Committee could choose to eliminate this provision directing the promulgation of rules to allow for other recreational projects.

ALTERNATIVES

A. Brownfields Provision

1. Approve the Building Commission's recommendation to require the Department to establish a system under which \$1 million from the local assistance subprogram be set aside in each fiscal year for grants for qualifying projects that relate to brownfields redevelopment.

2. Require DNR to set aside 15% of the funding allocated to the local assistance subprogram in each fiscal year for qualifying projects that relate to brownfields redevelopment.

3. Consistent with the Brownfields Study Group recommendations, require DNR to give a higher priority to grants from the local assistance subprogram of Stewardship 2000 to those projects related to brownfields redevelopment.

4. Take no action (consistent with the Stewardship Task Force recommendation).

B. Federal Funding Provision

1. Approve the Building Commission's recommendation to specify that if the state receives federal funding from which cities, villages or towns would be eligible to receive money for the purposes of the local assistance subprogram, DNR allocate federal funding among the appropriate fiscal years for local assistance and reallocate 75% of the amount of state bonding freed up by the local assistance reduction to the land acquisition subprogram and 25% to the property development subprogram.

2. Specify that if the state receives federal funding for local assistance purposes, that DNR reallocate an amount equal to 80% of the federal funding received to the land acquisition subprogram (75%) and the property development subprogram (25%).

3. Take no action. (No reallocation of local funding would be made based on the level of federal funding available.)

C. Other Recreational Projects Provision

1. Approve the Building Commission's recommendation to require the Department to establish a program by administrative rule to provide grants to cities, villages, towns and counties for up to 50% of the cost of other recreational projects.

2. Take no action. (DNR would not be required to redefine eligible outdoor recreation projects.)

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