

**Committee Name:**  
**Joint Committee – Finance**  
**(JC–Fi)**

**Appointments**

99hr\_JC–Fi\_Appt\_pt00

**Committee Hearings**

99hr\_JC–Fi\_CH\_pt00

**Committee Reports**

99hr\_JC–Fi\_CR\_pt00

**Clearinghouse Rules**

99hr\_JC–Fi\_CRule\_99–

**Executive Sessions**

99hr\_JC–Fi\_ES\_pt00

**Hearing Records**

99hr\_ab0000

99hr\_sb0000

**Misc.**

99hr\_JC–Fi\_\_Misc\_\_s.13.10\_pt10c1

**Record of Committee Proceedings**

99hr\_JC–Fi\_RCP\_pt00

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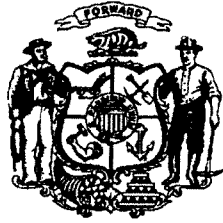
S. 13.10 Meeting

December 21, 1999

# THE STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

316-S Capitol  
P.O. Box 7882  
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ASSEMBLY CHAIR  
JOHN GARD

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## JOINT COMMITTEE ON FINANCE

### AGENDA

1:00 p.m., Tuesday, December 21, 1999  
s. 13.10 Meeting  
in Room 411 South, State Capitol.

- I. Department of Natural Resources – George Meyer, Secretary
- II. Department of Natural Resources – George Meyer, Secretary
- III. Department of Natural Resources – George Meyer, Secretary
- IV. Department of Natural Resources – George Meyer, Secretary
- V. Department of Natural Resources – George Meyer, Secretary
- VI. Department of Natural Resources – George Meyer, Secretary
- VII. Department of Agriculture, Trade and Consumer Protection – Nicholas Neher, Division Administrator, Division of Agricultural Resource Management
- VIII. Department of Agriculture, Trade and Consumer Protection – Ned Zuelsdorff, Director, Bureau of Agrichemical Management, Division of Agricultural Resource Management
- IX. University of Wisconsin System – Katherine C. Lyall, President
- X. State Historical Society – George Vogt, Director
- XI. Department of Workforce Development – Orlando Canto, Deputy Secretary
- XII. Department of Health and Family Services – Tom Alt, Division Administrator, Division of Care and Treatment Facilities
- XIII. Department of Health and Family Services – John Kiesow, Executive Assistant

- XIV. Department of Health and Family Services – Joe Llean, Secretary
- XV. Department of Health and Family Services – Withdrawn
- XVI. Department of Administration – Brian Schimming, Administrator, Division of Housing
- XVII. Department of Employee Trust Funds – David Stella, Division Administrator, Division of Retirement Services, and Joanne Cullen, Budget Director
- XVIII. Legislative Technology Services Bureau – Mark Wahl, Director
- XIX. Department of Corrections – Jon Litscher, Secretary
- XX. Department of Corrections – Jon Litscher, Secretary
- XXI. Department of Corrections – Jon Litscher, Secretary

Reports

- R-1 Department of Administration Position Reports Required Under s. 16.50 (July 1-September 30, 1999).

I. Department of Natural Resources – George Meyer, Secretary

The department requests that the Committee take action under s. 350.12(4)(br) to increase the fiscal year 1999-2000 expenditure amount for supplemental trail aids within the snowmobile trail recreation aids appropriation under s. 20.370(5)(cs) by an additional \$116,000 SEG.

Governor's Recommendation

Approve the request.

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



I  
Office of the Secretary  
Post Office Box 7864  
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TTY (608) 267-9629

**Date:** December 15, 1999  
**To:** Members, Joint Committee on Finance  
**From:** George Lightbourn, Acting Secretary  
Department of Administration *George Lightbourn*  
**Subject:** Section 13.10 Request from the Department of Natural Resources for Increased Expenditure Amount for Supplemental Trail Aids.

**Request**

The department requests that the Committee take action under s. 350.12(4)(br) to increase the fiscal year 1999-2000 expenditure amount for supplemental trail aids within the snowmobile trail recreation aids appropriation under s. 20.370(5)(cs) by an additional \$116,000 SEG.

**Background**

The Snowmobile Account within the Conservation Fund receives funding from user fees and the motor fuel tax as specified under s. 25.29(1)(d). The account funds a variety of snowmobile projects, including supplemental trail maintenance aid for costs in the previous fiscal year that exceeded the statutory \$250 per mile maximum.

*Snowmobile Gas Tax Multiplier*

The motor fuel tax revenues transferred from the Transportation Fund equal 140% of the product of the number of snowmobiles registered in Wisconsin at the end of February of the previous fiscal year and the amount of motor fuel tax in February of the previous fiscal year assessed on 50 gallons of gasoline. For fiscal year 1999-2000, \$3,803,694 was transferred to the Snowmobile Account (213,931 registered snowmobiles x [25.4¢ per gallon x 50 gallons] x 1.4).

The majority of the snowmobile gas tax revenue is used to reimburse trail maintenance costs. Under s. 350.12(4)(b)1., trail maintenance costs are reimbursed up to a \$250 maximum per mile per year. Trail maintenance costs exceeding the maximum are reimbursed through supplemental trail aids, as provided for under s. 350.12(4)(bg). Those funds generated by the 40-percent portion of the 140 percent motor fuel tax transfer calculation (i.e., "40-percent multiplier") are earmarked for supplemental trail aids.



### *Supplemental Trail Aids*

Funds generated by the 40-percent multiplier are dedicated to supplemental trail aids. Prior to enactment of the 1995-1997 biennial budget (1995 Wisconsin Act 27), supplemental trail aid requests that exceeded the funds available were prorated under s. 350.12(4)(br). Separate legislation was required to increase the amount of funds available for supplemental trail aids in excess of the revenues generated by the 40-percent multiplier.

The 1995-1997 biennial budget removed the need for separate legislation to increase funds available for supplemental trail aids. Section 350.12(4)(br) allows DNR to either prorate supplemental trail aid payments or submit a request for additional expenditures to the Committee under s. 13.101. Unlike typical s. 13.101 requests, requests under s. 350.12(4)(br) do not require a finding of an emergency for Committee consideration.

### **Analysis**

By the October 1, 1999, application deadline, DNR received requests for supplemental trail aids in excess of available funds. Current funds available for supplemental payments are \$1,086,770. DNR expects costs eligible for supplemental aid to equal approximately \$1.2 million. Based on the current funds available for supplemental aid payments, cost reimbursements will be prorated at a rate of 90.5 percent.

Since the creation of the 40-percent multiplier, supplemental trail aids payments have generally reimbursed at least 70 percent of county and state trail maintenance costs exceeding the \$250 maximum per mile per year. Table 1 illustrates the historical level of trail aid reimbursement.

**Table 1: Historical Snowmobile Trail Maintenance Cost Reimbursement**

<b><u>Snowmobile Season</u></b>	<b><u>Claims Paid (%)</u></b>
1989-90	59.0
1990-91	100.0 <sup>1</sup>
1991-92	76.0 <sup>2</sup>
1992-93	73.6
1993-94	94.2
1994-95	100.0
1995-96	53.8 <sup>3</sup>
1996-97	77.1
1997-98 <sup>4</sup>	100.0

1. Includes additional funding received through separate legislation.
2. The 1991-92 season payments were the first to use funds provided by the 40% multiplier, which was enacted as part of the 1991-93 biennial budget (1991 Wisconsin Act 39).
3. The proration does not include the \$80,000 provided to 18 counties in March 1997.
4. Prior to the 1997-98 season, the maximum trail aid payment was \$200 per mile per year.

The good snowmobiling conditions and accompanying high use during the 1998-99 snowmobiling season required frequent maintenance of trails. As a result, costs eligible for reimbursement have exceeded available funds.

The Snowmobile Recreation Council recommended that DNR submit a request to the Joint Committee on Finance to increase the amount of funds available for supplemental trail aid payments. After satisfying the basic trail maintenance requests (up to the \$250 maximum per mile), the Snowmobile Recreation Council had approximately \$1,584,200 available for snowmobile trail project requests. However, the total cost of the projects for which the council recommended approval is \$1,253,072. The council recommended that \$116,000 of the remaining funds be used to supplement trail aid funds. If the request to use these funds for supplemental trail aid payments is denied, the money will continue to be available for trail development and rehabilitation projects in subsequent fiscal years.

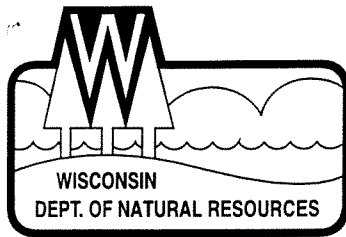
The requested increase of \$116,000 would eliminate the need to prorate supplemental trail aid payments and does not require additional expenditure authority. The current fiscal year 1999-2000 expenditure authority of \$3,676,500 under appropriation s. 20.370(5)(cs) is adequate because no increase in total funds is involved.

**Recommendation**

Approve the request.

Prepared by: Kirsten M. Grinde  
266-7973





State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

Box 7921  
101 South Webster Street  
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November 24, 1999

Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 North  
State Capitol

Honorable John Gard  
Joint Committee on Finance  
Room 316  
State Capitol

Attn.: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

*Brian John*  
Dear Senator Burke and Representative Gard:

Request

The Department of Natural Resources requests approval to supplement the expenditure amount of the gas tax multiplier specified in s. 350.12 (4) (bg) within appropriation 20.370 (5) (cs), by \$116,000. No additional expenditure authority is needed; the Department would utilize the remaining existing spending authority within that same appropriation after other purposes specified for the appropriation have been funded. If approved, this request will allow the Department to provide an additional \$116,000 for supplemental trail aid payments to the \$1,086,770 already available for that purpose for the winter of 1999-00. This request is being made under the authority of s. 350.12 (4) (br) (Supplemental trail aid payments; insufficient funding) which allows the Department to request the Joint Committee on Finance to take action under s. 13.101 without the requirement of finding of an emergency under s. 13.101 (3) (a) 1.

Background

Appropriation 20.370 (5) (cs) provides funding from the motor fuel tax specified under s. 25.29 (1) (d) for a variety of snowmobile projects, including snowmobile trail maintenance. Spending authority for this continuing appropriation is \$3,676,500 for FY 99 and \$3,846,800 for FY 00. Within appropriation 20.370 (5) (cs), an amount is set aside specifically for supplemental trail aid payments to the Department or a county for trail maintenance costs incurred in the previous fiscal year that exceed the maximum of \$250 per mile. This amount is equal to the amount generated by the gas tax multiplier of 40% (s. 25.29 (d) 2.), and for FY 99 is \$1,086,770. This funding calculation is specified in s. 350.12 (4) (bg), Stats.

The application deadline for counties for supplemental requests was October 1, 1999, and while not all requests have been evaluated, it is estimated that the total request for eligible costs will be approximately \$1,202,234 for the 1998-99 snowmobiling season due to the good snowmobiling conditions. This would result in a 90.4% proration of the available \$1,086,770 for supplementary payments.



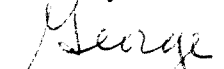
After subtracting the amounts necessary for maintenance of existing trails (\$4,065,600), the Snowmobile Recreation Council had approximately \$1,584,186 available for other snowmobile trail project requests under appropriations 20.370 (5) (cr) and (cs). After reviewing the projects in the priority order specified under s. 23.09 (26), Stats., the Council recommended approval of \$1,253,072 for bridge rehabilitation, trail rehabilitation, new bridge construction and trail relocation projects. Of the remaining amount of \$331,114, the Council requested the Department to seek approval to use \$116,000 for supplemental trail aids in addition to the \$1,086,770 generated by the 40% multiplier.

Approval of this request will provide an additional \$116,000 for supplemental trail aids to help offset costs incurred by counties for snowmobile trail maintenance. Approval will not result in exceeding the overall expenditure authority for appropriation 20.370 (5) (cs), but will allow the Department to spend more on the specific purpose of supplemental trail aids, currently specified in s. 350.12 (4) (bg). Other purposes for funding by the appropriation have been reviewed and recommended for funding by the Snowmobile Recreation Council. Denial of this request will mean that the \$116,000 will not lapse, but will continue to be available only for trail project costs in subsequent fiscal years.

#### Conclusion

The Department and the Snowmobile Recreation Council recognize the importance of the snowmobile trail system to the tourism revenue generated by snowmobiling recreation. The Department recommends supplementing the amount available for supplemental trail aids by \$116,000. Thank you for your consideration of this request. If further information is needed, please contact Hope Koprowski in the DNR Bureau of Finance, or Brian Dranzik in the DNR Bureau of Management and Budget.

Sincerely,

  
George E. Meyer  
Secretary

c: Darrell Bazzell - AD/5  
Joe Polasek - MB/5  
Herb Zimmerman - FN/1  
Craig Karr - AD/5  
Kathy Curtner - CF/8  
Hope Koprowski - FN/1

II. Department of Natural Resources – George Meyer, Secretary

The department requests a supplement of \$112,000 SEG in fiscal year 1999-2000 and fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(u) to the department's general program operations – state funds appropriation under s. 20.370(3)(mu) to fully fund warden operating expenses. The department indicates that this level of funding was incorrectly removed in 1999 Wisconsin Act 9, the biennial budget, as funding related to hunter safety education.

Governor's Recommendation

Deny the request.

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY




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II

**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration 

**Subject:** Section 13.10 Request from the Department of Natural Resources for  
Additional Funding for Warden Operating Expenses

**Request**

The department requests a supplement of \$112,000 SEG in fiscal year 1999-2000 and fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(u) to the department's general program operations – state funds appropriation under s. 20.370(3)(mu) to fully fund warden operating expenses. The department indicates that this level of funding was incorrectly removed in 1999 Wisconsin Act 9, the biennial budget, as funding related to hunter safety education.

**Background**

The department's 1999-2001 biennial budget request included a proposal to authorize the department to set safety course fees by rule and to deposit revenues from the fees in a new appropriation specifically for education and safety programs. The intent of the proposal was to allow hunting, snowmobile, boat and all-terrain vehicle (ATV) education and safety programs to become more self-supporting. The authorization to set fees by rule and creation of a new appropriation to receive fee revenues were included in 1999 Wisconsin Act 9.

As part of his budget recommendations, the Governor modified the department's proposal to reduce expenditure authority for boating and ATV enforcement to reflect the transfer of safety course revenues and expenditures from the boating and ATV accounts to the new appropriation. The base expenditure authority for snowmobile safety courses was applied to the new mandatory snowmobile education effort included in 1999 Act 9. Base expenditure authority for law enforcement was not reduced to reflect the funding of hunting education courses by the new appropriation because only 50 percent of the course fee revenue will be deposited in the new appropriation.

The Joint Committee on Finance further modified the proposal by deleting an additional \$7,000 SEG related to ATV safety courses and \$112,000 SEG from the department's law enforcement operations appropriation to reflect a maintenance of effort, rather than an increase, for hunting education activities. However, the department indicates that existing hunter education expenditures are made from federal Pittman-Robertson grant funds, not state SEG funds. Since the federal grant funds may be used only for hunter education activities, the department has requested restoration of the \$112,000 SEG to support general law enforcement needs.

### **Analysis**

The Bureau of Law Enforcement funds the majority of fish and wildlife conservation wardens from the general program operations SEG appropriation. With a projected balance at the end of fiscal year 2000-01 of \$5.8 million, the conservation fund-fish and wildlife account has sufficient funds to cover the requested amount of expenditure authority. Also, the department has indicated that conservation warden patrol time would be reduced if the requested funds are not provided. However, the request to restore the funds may be premature.

As of November 30, the department had spent approximately 38.7 percent of the funds appropriated for law enforcement. Although the department has not yet implemented all of the new activities included in 1999 Act 9, sufficient funds should be available for new and existing costs. In recent years, the Bureau of Law Enforcement has lapsed a significant amount of funds from the appropriation under s. 20.370(3)(mu) (see Table 1).

**Table 1: Lapsed Law Enforcement Operations Funds**

<b>Fiscal Year</b>	<b>Lapse Amount</b>
1994-95	\$444,104
1995-96	\$881,083
1996-97	\$ 53,652
1997-98	\$794,075
1998-99	\$440,344

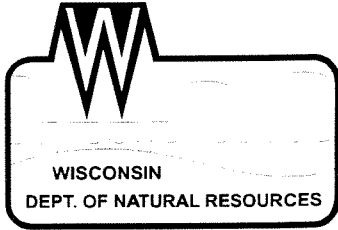
Since fiscal year 1995-96, the Bureau of Law Enforcement has lapsed more than \$112,000 SEG in all but one year from its general program operations appropriation. The 1999-2001 biennial budget provided the Bureau of Law Enforcement additional expenditure authority to meet various spending pressure increases. The additional funding provided should result in a similar amount of lapse from the appropriation in fiscal year 1999-2000. At this time, the bureau should be able to support the \$112,000 expenditure authority reduction. Another request may be made in the future if the department can demonstrate need.

Members, Joint Committee on Finance  
Page 3  
December 15, 1999

**Recommendation**

Deny the request.

Prepared by: Kirsten M. Grinde  
266-7973



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

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November 22, 1999

Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 North  
State Capitol

Honorable John Gard  
Joint Committee on Finance  
Room 315 North  
State Capitol

Attn.: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

*Brian John*

Dear Senator Burke and Representative Gard:

Request

The Department of Natural Resources requests additional expenditure authority of \$112,000 CON SEG from appropriation 20.370 (3)(mu) to fund warden operating expenses. If approved, this request will allow the Department to adequately fund warden operating expenses.

Background

In the 1999-2001 budget the Department presented a proposal to set the fees for safety classes in boat, snow and hunter education by administrative rule, and to require that the fees collected by the Department in the hunter education, snow and ATV programs be retained by the Department for the purpose of defraying part of its expenses incurred to operate the program. This proposal allows all four safety education programs to operate consistently from a fiscal standpoint and addresses issues raised as part of the audit of the Conservation Fund by the Fish and Wildlife Service. It is important that all the safety education programs retain the course fees as program revenue in order to offset the mounting expenses incurred as a result of increasing student numbers.

In 1999-01 budget action related to the safety education issue, \$112,000 of Fish and Wildlife funding was deleted from the Law Enforcement program budget, presumably under the assumption that Fish and Wildlife funds were used to support hunter education. However, since 1992 the federal Pittman Robertson Fund has supported the entire hunter education budget, and the \$112,000 eliminated was used by the subprogram to pay for operating expenses for conservation wardens.

While \$112,000 of Fish and Wildlife funding was deleted from the law enforcement program budget, an increase in warden operating expenses in s. 20.370(3)(mu) was fully supported, adding \$41,200 in fiscal year 2000 and \$53,400 in fiscal year 2001. The \$112,000 reduction would result in a net decrease of \$70,800 for warden operation expenses in fiscal year 2000 and \$58,600 in fiscal year 2001. The





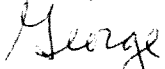
reduction of warden operating expenses may have been inadvertent in the creation of the safety education course fee appropriation. If a reduction of warden operation expenses was intended, a much simpler approach would have been a reduction, or elimination of the specific budgetary request in the 1999-01 biennial budget.

Operating expenses include the following: telephone, postage, printing, uniforms, small LE equipment, materials, supplies, travel allowances, and rental space. These costs represent approximately 50% of the annual supplies and services budget for the law enforcement and the environmental enforcement program. In addition, the mileage rates will increase by \$0.03 per mile on January 1, 2000 or by \$120,000. Other operating costs continue to rise by an estimated \$40,000 per year. The elimination of the \$112,000 will have the effect of reducing the operational effectiveness of conservation wardens. Without this additional support, the only control for individual managers and wardens is to decrease car operations for patrol and investigation of violations noticed by the public.

#### Conclusion

The Department recommends authorization of \$112,000 CON SEG increased expenditure authority to ensure warden duties will continue as anticipated. Thank you for your consideration of this request. If further information is needed, please contact Brian Dranzik in the DNR Bureau of Management and Budget.

Sincerely,

  
George E. Meyer  
Secretary

c: Darrell Bazzell - AD/5  
Joe Polasek - MB/5  
Herb Zimmerman - FN/1  
Dave Meyer - AD/5  
Tom Harelson - LE/5

III. Department of Natural Resources – George Meyer, Secretary

The department requests a supplement of \$327,000 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(u) to the department's resource aids – fire suppression grants appropriation under s. 20.370(5)(by) to fund forest fire equipment grants to local fire departments. The department indicates that it will not receive the federal funding dedicated in 1999 Wisconsin Act 9 for this purpose in time for the fiscal year 1999-2000 grant cycle.

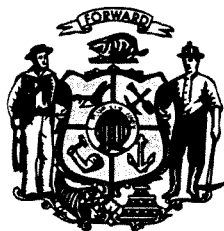
Governor's Recommendation

Transfer \$327,000 SEG in fiscal year 1999-2000 from the Division of Forestry's general program operations – state funds appropriation under s. 20.370(1)(mu) to the resource aids – fire suppression grants appropriation under s. 20.370(5)(by).

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



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**Date:** December 15, 1999  
**To:** Members, Joint Committee on Finance  
**From:** George Lightbourn, Acting Secretary  
Department of Administration  
*George Lightbourn*  
**Subject:** Section 13.10 Request from the Department of Natural Resources for  
Additional Funding for Local Fire Department Equipment Grants.

**Request**

The department requests a supplement of \$327,000 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(u) to the department's resource aids - fire suppression grants appropriation under s. 20.370(5)(by) to fund forest fire equipment grants to local fire departments. The department indicates that it will not receive the federal funding dedicated in 1999 Wisconsin Act 9 for this purpose in time for the fiscal year 1999-2000 grant cycle.

**Background**

Created in 1997 Wisconsin Act 27, the 1997-99 biennial budget, the local fire department equipment grant program is designed to improve forest firefighting capabilities through partnerships between the department and local fire departments. Under the program, the department provides 50-percent cost-share grants to local fire departments for the purchase of fire resistant clothing and fire suppression supplies, equipment and vehicles. In return, the local fire departments must agree to assist the department in the suppression of forest fires.

Originally scheduled to sunset on June 30, 1999, the program was funded at \$525,000 SEG (conservation fund-forestry account) annually for grants and \$85,000 SEG annually to provide one-time incentives of fire-resistant coveralls to the first participants. The 1999-2001 biennial budget removed the sunset and continued the program at a funding level of \$525,000 annually for grants. Although the grant funding level remained the same, the source of the grant funding was split between federal funds (\$327,000) and state SEG funds (\$198,000).

**Analysis**

During the first two years of the program, the department received 385 grant applications and awarded 322 grants. As of the October 1, 1999, deadline, the department had received grant applications from 242 local fire departments, requesting a total of \$934,200. The department planned to award the grants in December to meet the budgeting and planning needs of the local fire departments.

Although the biennial budget was not enacted until November, the department set the grant application deadline for October 1, based on budget decisions that had been made by the Joint Committee on Finance and the appearance that the decision was not controversial for other members of the Legislature. However, despite the length of the budget discussions, the department did not raise its concern that the federal grant funds would not be available for the fiscal year 1999-2000 grant cycle until now. Also, in its original budget submission, the department requested that the federal grant funds be used for local fire department grants beginning in the first fiscal year of the biennium.

The department has indicated that the conservation fund-forestry account has sufficient funds available to provide the requested \$327,000. Currently, the projected balance of the forestry account at the end of fiscal year 2000-01 is approximately \$1.4 million. To ensure adequate funding in case of forest fire emergencies, the department prefers to maintain a balance of at least \$1.0 million in the account. If this request is approved and the Department of Agriculture, Trade and Consumer Protection's request for additional ongoing gypsy moth treatment funding is approved, the projected fiscal year 2000-01 ending balance would be reduced to \$682,300.

Approval of these requests could have a significant impact on Wisconsin's fiscal ability to respond to a forest fire emergency. The impact would be reduced if additional forestry mill tax revenues become available through higher than projected increases in property values. However, if the department had raised its concerns about the timing of the receipt of federal funds during the Legislature's review of the 1999-2001 biennial budget, the additional state funding would have been considered against other spending priorities and reductions could have been made to maintain the preferred \$1.0 million balance in the forestry account.

Similar action could be taken under this request. In recent years, the Bureau of Forestry has lapsed a significant amount of funds from the general program operations - state funds appropriation under s. 20.370(1)(mu) (see Table 1).

**Table 1: Lapsed Forestry Operations Funds**

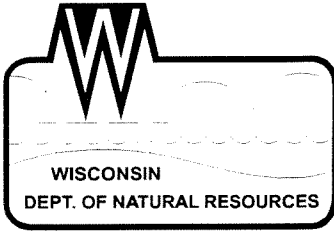
<b>Fiscal Year</b>	<b>Lapse Amount</b>
1994-95	\$ 177,673
1995-96	\$ 598,012
1996-97	\$2,530,354
1997-98	\$1,388,524
1998-99	\$1,151,309

Since fiscal year 1995-96, the Bureau of Forestry has consistently lapsed more than \$327,000 SEG annually from its general program operations appropriation. The 1999-2001 biennial budget provided the new Division of Forestry additional expenditure authority to meet various spending pressure increases. The additional funding provided should result in a similar amount of lapse from the appropriation in fiscal year 1999-2000. The division should be able to support a one-time transfer of \$327,000 of expenditure authority from its general program operations to the local fire department grant program.

**Recommendation**

Transfer \$327,000 SEG in fiscal year 1999-2000 from the Division of Forestry's general program operations - state funds appropriation under s. 20.370(1)(mu) to the resource aids - fire suppression grants appropriation under s. 20.370(5)(by).

Prepared by: Kirsten M. Grinde  
266-7973



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

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November 26, 1999

The Honorable John Gard, Co-chair  
Joint Committee on Finance  
Room 315 North  
State Capitol

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 North  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

Dear Representative *John* Gard and Senator *Brian* Burke:

Request:

The Department of Natural Resources requests a supplemental appropriation to 20.370(5)(by) *Resource aids - fire suppression grants* from the Forestry account of the conservation fund of \$327,000 SEG for FY 1999-00. This funding is needed to provide forest fire equipment grants to local fire departments to supplement their forest fire fighting capability. It is needed on a one-time basis because of the late arrival of federal funds which make up a portion of the resource aids Fire Suppression grants (known as the Forest Fire Protection (FFP) grant program). These funds provide up to 50% matching equipment grants to fire departments which choose to assist the DNR in forest fire suppression. These funds are needed now so that the equipment can be purchased and put in service for the 2000 spring forest fire season. If the dry conditions we are presently experiencing continue through this winter, the fire departments will need these funds to prepare for a potentially serious spring forest fire season. The Department has done an initial evaluation of the Forestry account taking into consideration expenditures already approved by the Legislature, and believes the account can accommodate this request.

Background:

The fire department equipment grant program was created in the 1997-99 budget as a pilot program funded at \$525,000 annually from the forestry account of the conservation fund for grants to cities, villages, towns, counties and fire suppression organizations for up to 50% of the costs of purchasing forest fire resistant clothing and fire suppression supplies, equipment and vehicles. Grant recipients must enter into a written agreement to assist DNR in suppression of forest fires when requested. In FY 1997-98, 187 grant applications were received, of which 166 (86%) received funding. In FY 1998-99, 198 grant applications were received, and 156 (79%) received funding.



In the 1999-01 budget, the grant program was reauthorized at a level of \$525,000, utilizing \$198,000 SEG from the forestry account, and \$327,000 in federal State Fire Assistance grant funds. However, due to the fact that we will not receive the FY 00 federal funds until the spring of 2000, the Department needs a supplement of state funding to provide grants at the authorized level the first year of the biennium. The Department will apply the federal funds for federal FY 00 received in the spring of 2000 to the FY 01 grants, for grant applications due on October 1, 2000.

Future years of the grant program will have the federal grant funds available from one federal fiscal year to apply to the next year's FFP grants. However, in the first year of this transition to a combination of federal and state funding, we will not have the federal funds available. As a result, the DNR will have only the \$198,000 in state funding from which to provide FFP grants to the fire departments for FY 00. These applications were due October 1, 1999 for the FY 00 grant year with the understanding that the grants would be awarded in December 1999. This request is for \$327,000 SEG to fund this one time shortfall caused by the late arrival of the federal funds. The alternative available to the Department is to award grants in the total amount of \$198,000 only in the first year of the biennium.

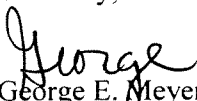
Currently the Department has received grant applications for FY 00 from 242 fire departments requesting \$934,200 in Forest Fire Protection grant dollars. When matched with local funds, the projects for which funding has been requested total \$1,972,700. The additional state funding this year will enable the Department to fund a larger percentage of high ranking projects.

#### Conclusion

The Legislature has recognized the importance of the fire department equipment grant program by reauthorizing the 1997-99 pilot program in 1999-01 with \$327,000 in federal funding and \$198,000 SEG in state funding. Because of the timing of the federal grant cycle, the federal funds for FY 00 are not available until spring of 2000, and the exact amount to be received is not known. For the grant program to be effective, local fire departments need to receive funding in December of 1999 to allow them to determine their local budgets, and to acquire the equipment and have it ready in time for the fire season in the spring of 2000. Providing the Department with \$327,000 SEG in state funding on a one-time basis for FY 1999-00 will allow the Department to provide grants to local fire departments at the authorized level of \$525,000 in December of 1999. Subsequent years of the grant program will utilize federal funding from the previous federal fiscal year to fully fund the grant program.

I wish to thank the committee for considering this request. If you wish further information on this request, please feel free to contact Gene Francisco, the Director of the Bureau of Forestry.

Sincerely,

  
George E. Meyer  
Secretary

Cc: Darrell Bazzell – AD/5  
Joe Polasek – MB/5  
Herb Zimmerman – FN/1  
Gene Francisco – FR/4



IV. Department of Natural Resources – George Meyer, Secretary

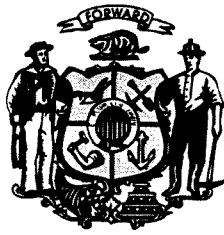
The department requests a supplement from the Committee's appropriation under s. 20.865(4)(u) and position authority for \$581,100 SEG and 21.14 FTE SEG positions in fiscal year 1999-2000 and \$906,000 SEG and 21.14 FTE SEG positions in fiscal year 2000-2001 to the department's general program operations – state funds appropriation under s. 20.370(1)(mu) to increase staffing levels during off-peak seasons; provide staffing and operations support for Milwaukee Lakeshore State Park; and support master planning activities and operations for Aztalan State Park.

Governor's Recommendation

Provide an additional \$293,300 SEG and 7.14 FTE SEG positions in fiscal year 1999-2000 and \$260,300 SEG and 7.14 FTE SEG positions in fiscal year 2000-01 in the department's general program operations – state funds appropriation under s. 20.370(1)(mu) to increase existing seasonal and part-time positions to full-time positions and complete Phase II of upgrading Aztalan State Park.

TOMMY G. THOMPSON  
GOVERNOR

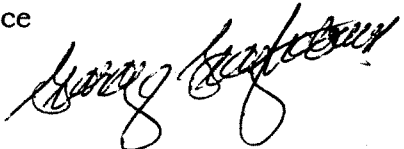
GEORGE LIGHTBOURN  
ACTING SECRETARY



Office of the Secretary  
Post Office Box 7864  
Madison, WI 53707-7864  
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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration 

**Subject:** Section 13.10 Request from the Department of Natural Resources for  
Additional Funding and Positions for Parks and Recreation Operations

**Request**

The department requests a supplement from the Committee's appropriation under s. 20.865(4)(u) and position authority for \$581,100 SEG and 21.14 FTE SEG positions in fiscal year 1999-2000 and \$906,000 SEG and 21.14 FTE SEG positions in fiscal year 2000-2001 to the department's general program operations – state funds appropriation under s. 20.370(1)(mu) to increase staffing levels during off-peak seasons; provide staffing and operations support for Milwaukee Lakeshore State Park; and support master planning activities and operations for Aztalan State Park.

**Background**

During the 1999-2001 biennial budget process, the Joint Committee on Finance approved a motion to lapse \$1.0 million from the conservation fund-parks account to the general fund in fiscal year 1999-2000. In addition, the Committee specified that the department could seek up to an additional \$1.4 million of expenditure authority from the parks account under s. 13.10 without the finding of an emergency. Subsequent action by the Legislature increased the amount of the lapse to \$1.63 million in fiscal year 1999-2000 and \$500,000 in fiscal year 2000-01 and deleted the authorization for the department to seek additional expenditure authority.

Through a partial veto, the Governor reduced the lapse amount by \$1.0 million in fiscal year 1999-2000. A separate partial veto removed the earmark of \$75,000 in the Department of Tourism's tribal gaming marketing appropriation for completion of Phase II of upgrading at Aztalan State Park. The Governor's veto message requested that DNR provide funding for that purpose from the state parks SEG appropriation.

Acting under the Joint Committee on Finance's previous indication of willingness to consider a request for additional expenditure authority and the Governor's veto message related to the Aztalan State Park upgrading, the department submitted this request for additional expenditure and position authority. The request consists of several parts:

- Additional expenditure authority of \$260,300 SEG in fiscal year 1999-2000 and \$265,500 SEG in fiscal year 2000-01 and 7.14 FTE positions to increase existing seasonal and part-time positions to full-time positions.
- Additional expenditure authority of \$235,800 SEG in fiscal year 1999-2000 and \$640,500 SEG in fiscal year 2000-01 and 14.0 FTE positions to staff and provide operations funding at 14 unstaffed or understaffed locations.
- Additional expenditure authority of \$75,000 SEG in fiscal year 1999-2000 for completion of Phase II of upgrading Aztalan State Park.

### **Analysis**

For the 1999-2001 biennial budget, the department requested and received an additional 4.0 FTE positions to increase seasonal positions to full-time positions to provide staffing year-round at several state parks. The department did not request more than the 4.0 FTE positions because of concerns that the parks account would not be able to support the additional costs. Currently, the projected fiscal year 2000-01 balance of the parks account is \$2.2 million. Approval of this request would reduce the projected balance to \$694,500.

Although the projected balance would be able to support this request on a one-time basis, the parks account currently has a structural deficit in which ongoing expenditure authority exceeds estimated revenues by approximately \$100,000. Approval of this request as an ongoing expenditure authority increase would expand the structural deficit to \$1.0 million. The structural deficit can be eliminated through increased revenues, reduced expenditure authority or a combination of increased revenues and reduced expenditure authority.

The department expects additional positions and operations funding to generate increased revenues which would support the added costs. At the June 4, 1998, s. 13.10 meeting, the department received \$750,000 of increased expenditure authority from the parks account to raise LTE staff wages and hire additional LTE staff. Coincidentally, the department generated approximately \$750,000 more in admission fee revenue for fiscal year 1998-99. However, the department also received approximately \$225,000 less in campsite fee revenue the same fiscal year. It could be argued that the increased expenditure authority netted approximately \$525,000 of additional revenue, a 70-percent return.

The impact on parks fee revenue from additional staffing is difficult to project for several reasons. Park use depends heavily on weather conditions throughout the year. Cool, wet summers and early winters can have a significant impact on admission and campsite fee revenues. Also, some locations which would receive staff do not charge admission or campsite fees, such as the Milwaukee Lakeshore State Park. In addition, the LTE funding primarily increased staffing at the parks during the peak season. Several of the additional positions requested would increase staffing during the off-season. Also, the ongoing impact of the new campsite reservation system cannot yet be determined.

The department has not had time to evaluate the revenue-generating ability of the additional positions received in 1999 Wisconsin Act 9, the 1999-2001 biennial budget. Increasing the position authority for parks by 21.14 FTE positions would be premature without the department demonstrating that the additional positions would generate enough revenue to support the additional cost to the program. However, the previous additional expenditure authority for LTE staff did appear to result in increased admission fee revenues. Some decrease in return can be expected as the amount of additional positions grows.

It is expected that the highest revenue growth would occur as a result of providing additional trained staff. The department has indicated that it has had some difficulty in hiring and retaining qualified staff on positions which are less than full-time. Providing the requested 7.14 FTE SEG positions to allow the department to hire and retain trained staff, along with the positions included in 1999 Act 9, would allow the department to evaluate the impact of staffing park and recreation properties during the off-season. If the department can demonstrate that these positions generate enough revenue to support the additional costs, more positions could be included as part of its 2001-03 biennial budget request.

To support the requested 7.14 FTE positions, the department has requested additional expenditure authority of \$260,300 in fiscal year 1999-2000 and \$265,500 in fiscal year 2000-01. Approval of these requested positions would increase the projected structural deficit to approximately \$360,000. The requested amounts would support the full cost of the additional position authority in both fiscal years. However, because some of the positions have been working part-time to date, the full amount of additional expenditure authority is not needed in the first fiscal year. The requested expenditure authority should be reduced to \$218,300 in fiscal year 1999-2000. Also, in calculating the expenditure authority needed to support the requested positions, the department built in a salary and fringe benefit increase for fiscal year 2000-01. This additional authority is unnecessary because any salary and fringe benefit cost increases will be met through the annual salary and fringe benefit supplement process.

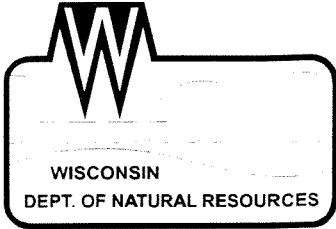
The department's request for staff and operations support at Milwaukee Lakeshore State Park is premature. The 1999-2001 biennial budget provided funding for development of the park, and that funding can be used to hire consultants. Currently, the department has qualified staff coordinating the development of the park and its facilities. These staff members are working on several important issues, such as modification of the lakebed grants and reconstruction of Harbor Island, that need to be resolved before development can be completed and the park opened.

Both the Legislature and the Governor indicated interest and support for the completion of Phase II of the upgrading of Aztalan State Park. The Legislature earmarked tribal gaming funds from the Department of Tourism. The Governor vetoed the earmark but requested that DNR complete the upgrading with parks account funds. If the request for \$75,000 SEG in fiscal year 1999-2000 is denied, the department would need to offset the expenditures for Aztalan State Park with reductions in customer service at other park and recreation locations.

#### **Recommendation**

Provide an additional \$293,300 SEG and 7.14 FTE SEG positions in fiscal year 1999-2000 and \$260,300 SEG and 7.14 FTE SEG positions in fiscal year 2000-01 in the department's general program operations - state funds appropriation under s. 20.370(1)(mu) to increase existing seasonal and part-time positions to full-time positions and complete Phase II of upgrading Aztalan State Park.

Prepared by: Kirsten M. Grinde  
266-7973



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor  
George E. Meyer, Secretary

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Box 7921  
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November 26, 1999

The Honorable John Gard, Co-chair  
Joint Committee on Finance  
Room 315 North  
State Capitol

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 North  
State Capitol

Attn: Committee Secretary, Daniel Caucutt  
Division of Executive Budget and Finance, 10<sup>th</sup> Floor  
Administration Building  
101 E. Wilson Street

Dear Representative *John* Gard and Senator *Brian* Burke:

Request:

The Department of Natural Resources requests \$581,100 SEG and 21.14 FTE's in FY 00 and \$906,000 SEG and 21.14 FTE's in FY 01 for Parks and Recreation operations. The supplemental spending authority is needed in appropriation 20.370 (1) (mu) for the Parks and Recreation subprogram and would come from the Parks account of the Conservation Fund. The funding is needed to increase staffing levels and provide operating support at existing state parks and recreation areas during off-peak seasons, to provide staffing and operations funding for the Milwaukee Lakeshore State Park, and funding for a master plan and operations for Aztalan State Park. Increases in FTE's are needed to make partial FTE positions full-time and add additional staff at the most critically short-staffed properties.

Background

Visitation at Wisconsin State Parks has increased dramatically over the last several years. Much of this increase is due to much greater visitation at Parks during traditionally off-peak seasons. The Parks program has a large number of positions that are "seasonal" positions, designed to work during the peak seasons, but are unavailable during the off-peak periods. In addition, these seasonal positions frequently have high turnover and are difficult to recruit for, causing many parks to have high vacancy rates even during the more peak periods. One major component of this request is to provide 7.14 FTE's to be able to fill out seasonal permanent positions to be full-time positions to provide year around management and operations at Parks that are experiencing greater visitation during these off-peak periods. Functionally, this increase in FTE's provides no net increase in the number of staff people employed by the Parks and Recreation program, but allows people on "seasonal" positions to work full-time. This also avoids



payment of unemployment, and other costs related to the "seasonal" nature of the positions. The list of positions and locations affected by this component are listed in the table below.

**Details**

*7.14 FTEs are required to make the final 20 permanently classified-yet-not-full time positions full-time.*

Rib Mountain	Ranger 1
Big Bay	Ranger 1
Rock Island	Ranger 1
Willow River	Financial Specialist 1
LaCrosse River Trail	Ranger 1
Pattison	Ranger 1
Peninsula	Facility Repair Worker 1
Devil's Lake	Equipment Operator 1
Bureau	Program Planning Analyst 5
Devil's Lake	Program Assistant 1
Kohler Andrae	Financial Specialist 1
Great River Trail	Ranger 1
Blue Mounds	Maint. Mech. 2
Hartman Creek	Financial Specialist 1
NER	Program Planning Analyst 4
Yellowstone	Facility Repair Worker 3
Wyalusing	Financial Specialist 1
Bureau	Marketing Specialist - Obj.
Whitefish Dunes	Natural Resources Educator
Peninsula	Facility Repair Worker 2

The Parks and Recreation program is also in need of 14 FTE new positions to meet critical and immediate needs of the program. The following locations all are in need of additional Ranger positions to meet critical service and security to customers, and provide management of the program.

**Un-staffed Properties**

- Milwaukee Lakeshore
- Aztalan
- Bearskin
- Amnicon Falls
- Chippewa Moraine

Staff is required to manage the operations and development of these properties. In the case of Aztalan and Milwaukee Lakeshore the person will be planning and implementing a high profile program with a number of interested partners and complex issues. The Bearskin Trail, Amnicon Falls, and Chippewa Moraine are existing programs that have no staff. These are popular properties that are falling short of their revenue potential and have not been fully managed and utilized. There is an Ice Age visitor center at Chippewa Moraine that is now kept open and staffed with LTEs. The land area at Chippewa Moraine is significant, with issues such as trespass, hunting, and neighbor relations to be addressed.



The Milwaukee Lakeshore State Park was only recently designated, and requires careful oversight during development. Staff and operations support is needed for a manager to guide development and work with constituents and partners.

Also included in this request is \$75,000 for completion of Phase II of upgrading at Aztalan State Park, which would include developing an overall public education and research strategy as well as a long-term interpretive and management plan. This funding was initially included in the 1999-01 biennial budget, but was vetoed by the Governor with a request to provide the funding from the Parks account. Aztalan is one of the Midwest's most significant archeological sites and is located in close proximity to an interstate highway. Staffing and operations funding will help tap the visitor and revenue potential of this property.

### **Severely Understaffed Facilities**

Lake Wissota  
Brunet Island  
Wyalusing  
Potawatomi  
Bong  
High Cliff  
Kohler Andrae  
Buckhorn  
Central Office

These programs have grown beyond their ability to meet customer expectations and management requirements. These properties are in work units that are covering a number of parks by juggling staff around. This is neither efficient nor effective and is compromising management of all properties in their work units. In the case of High Cliff there had formerly been a seasonal position but its vacancy rate was so high the decision was made to split it to fill out other seasonal positions but the critical need remains for a Ranger here. The Kohler Andrae and Wyalusing positions are to meet demands for programming and promote the park program and the DNR.

The request includes an additional position for the central office to manage future growth and help the system reach its revenue potential and customer expectations. This position is needed to enhance the marketing, public relations and customer service that is responsible for the additional revenue to the Parks and Recreation program. In order to sustain increased growth in revenue and attendance the Parks program must be very proactive in identifying and targeting new market areas and new customers from both in and out of state. Current resources available are not sufficient to maintain this level of effort.

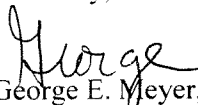
### **Conclusion**

During legislative proceedings on the 1999-01 biennial budget, a provision was temporarily included by the Joint Committee on Finance to allow the Department to seek additional funding for parks maintenance projects and year-round parks operations costs under s. 13.10. This provision was in response to the increased revenue being generated by the Parks and Recreation program, and the recognition of the need to re-invest that revenue for Parks operations and enhancements to provide service to the visitors to State Parks. This provision was not included in the final legislative budget because an additional \$1.1 million was taken from the Parks account. However, the Governor's veto restored these dollars and they are now available for this purpose. The need to provide increased customer service and year-round operations remains critical at many state parks and recreation areas. By providing additional staffing and operations funding, the Department will be able to provide customer service and public safety more adequately, and will likely generate increased visitor use and revenue for the Parks and Recreation program. The

Department has done an evaluation of the status of the Parks account of the Conservation Fund, and has determined that the account can accommodate this increased spending authority.

I wish to thank the committee for considering this request. If you have questions or wish further information on this request, please feel free to contact Sue Black, Director of the Bureau of Parks and Recreation.

Sincerely,

  
George E. Meyer,  
Secretary

Cc: Darrell Bazzell – AD/5  
Joe Polasek – MB/5  
Herb Zimmerman – FN/1  
Sue Black - PR/1

V. Department of Natural Resources – George Meyer, Secretary

The department requested approval of the purchase of 452.56 acres in Crawford County from Hillsdale College for the Kickapoo Wildlife Area under the 14-day passive review required under s. 23.0915(4). Due to an objection from a committee member, this request is now before the Committee under s. 13.10.

VI. Department of Natural Resources – George Meyer, Secretary

The department requested approval of the purchase of 3,221 acres in Juneau County from the Wisconsin River Power Company for the Buckhorn State Wildlife Area and Buckhorn State Park under the 14-day passive review required under s. 23.0915(4). Due to an objection from a committee member, this request is now before the Committee under s. 13.10.

VII. Department of Agriculture, Trade and Consumer Protection – Nicholas Neher,  
Division Administrator, Division of Agricultural Resource Management

The department requests a supplement of \$218,100 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(u) to the department's gypsy moth eradication; conservation fund appropriation under s. 20.115(7)(q) to provide the required 25 percent state match for a U.S. Department of Agriculture, Forest Service Slow-the Spread federal grant which would support gypsy moth control treatments for 36,345 acres.

Governor's Recommendation

Approve a one-time increase of \$62,400 SEG (conservation fund-forestry account) in fiscal year 1999-2000 in s. 20.115(7)(q) (gypsy moth eradication; conservation fund) to support gypsy moth control and eradication treatments.

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration

A handwritten signature in cursive script, appearing to read "George Lightbourn".

**Subject:** Section 13.10 Request from the Department of Agriculture, Trade and Consumer Protection for Increased Expenditure Authority for Gypsy Moth Control Treatments.

### **Request**

The department requests a supplement of \$218,100 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(u) to the department's gypsy moth eradication; conservation fund appropriation under s. 20.115(7)(q) to provide the required 25 percent state match for a U.S. Department of Agriculture, Forest Service Slow-the Spread federal grant which would support gypsy moth control treatments for 36,345 acres.

### **Background**

Since 1971, Wisconsin has worked to eradicate and control gypsy moth infestations around the state. Isolated introductions were eradicated through 1985. By 1990, trapping surveys showed significantly increased gypsy moth populations over earlier surveys. In response, the current cooperative gypsy moth control program was established. The program pools resources from DATCP, the Department of Natural Resources (DNR), the U.S. Department of Agriculture-Forest Service (USDA-FS), the USDA-Animal and Plant Health Inspection Service (USDA-APHIS), and the University of Wisconsin-Madison.

Wisconsin's gypsy moth control program is the most aggressive program in the country, but it has not been able to stop the spread of gypsy moths. In 1997, Door, Brown, Manitowoc and Kewaunee Counties were placed under federal quarantine status. The number of quarantined counties has grown, and there are now 20 counties under quarantine and 13 counties in a "transition zone," a precursor to being quarantined.

The gypsy moth control program efforts focus on treating areas outside of the quarantined counties. These efforts attempt to slow the spread of the gypsy moth

and keep the number of quarantined counties in Wisconsin to a minimum. The populations within the quarantined counties are too high to eradicate, so efforts in those counties are aimed at inspection and certification of shipments of wood, nursery stock and outdoor household articles to limit the spread of gypsy moths outside of the quarantined area.

### **Analysis**

The 1999 statewide trapping and egg mass survey data indicate that gypsy moth populations continue to grow, with male moths trapped in 67 counties and egg masses, caterpillars and female moths found at 58 sites in 18 counties. These results led DATCP and USDA-FS representatives to recommend treatment of a record 104,400 acres at more than 80 sites in the spring of 2000. The acreage consists of 101,400 acres of control treatments and 3,000 acres of eradication treatments. The total is 50,000 acres more than the number of acres treated in 1999.

Under current cost estimates, the department has funds available to treat approximately 70,250 acres. This funding is a combination of existing state funding (conservation fund-forestry account SEG); USDA-FS and USDA-APHIS federal grant funds; and a contribution from the USDA-FS Slow-the-Spread Program. The state funding will be used to meet the 50 percent cost-share requirement for the federal grant for eradication treatments and the 25 percent cost-share requirement for the Slow-the-Spread Program funds.

Federal grant funds are available to treat the entire 104,400 acres, but only if the state provides the required cost-share match. The total estimated cost to treat 104,400 acres is \$2,400,640. Federal grant funds would provide \$1,832,540 to match \$568,100 of state funds. DATCP has funds (\$350,000) to meet the majority of the required state match. The \$218,100 requested would cover the remaining amount of match.

DNR has indicated that the conservation fund-forestry account has sufficient funds available to provide the requested \$218,100 only on a one-time basis. Currently, the projected balance of the forestry account at the end of fiscal year 2000-01 is approximately \$1.4 million. To ensure adequate funding in case of forest fire emergencies, DNR prefers to maintain a balance of at least \$1.0 million in the account. If this request is approved as an ongoing funding increase and DNR's request for additional local fire department grant funding is approved, the projected fiscal year 2000-01 ending balance would be reduced to \$682,300.

On November 29, the Gypsy Moth Scientific Working Group approved 79,840 acres of control treatments and 800 acres of eradication treatments of the 104,400 acres proposed. The Gypsy Moth Coordinating Group agreed on the reduced acreage at its meeting on December 9, 1999, but plans to review the remaining sites and make a final decision before December 17, 1999. The groups consist of



a voting member from each of the following agencies: DATCP, DNR, USDA-APHIS, USDA-FS and UW. The estimated total cost of providing gypsy moth control treatments on 79,840 acres and eradication treatments on 800 acres would be \$1,418,100, of which the state's share would be \$412,340. The department would need an additional \$62,400 to provide this level of state match.

The Scientific Working Group's lesser amount of acreage was based on a stricter interpretation of the role of a computer model used to predict which acres would be most effective to treat. DATCP and USDA-APHIS recommended the full 101,400 acres be treated because the two agencies used the computer model as a starting point for determining which sites should be treated. As the gypsy moth regulatory agency, DATCP prefers to treat all egg masses that are located to reduce the potential for outbreaks in urban areas or near nurseries. Although DATCP would prefer a gypsy moth control treatment area of 101,400 acres, the department does not disagree with the reduction in eradication acreage.

If DATCP is unable to provide the required state match, the unmatched federal grant funds will be redistributed to other states and or programs. However, if this request is denied and the federal funding reduced, DATCP will still be able to treat more acres than prior years with its existing level of funding (see Table 1).

**Table 1: Gypsy Moth Treatment History**

<u>Year</u>	<u>Acres</u>
1991	5,875
1992	40,765
1993	35,270
1994	51,800
1995	20,304
1996	28,864
1997	36,895
1998	38,435
1999	54,420
2000	70,250 <sup>1</sup>

<sup>1</sup>. Assumes no additional funds.

Studies have shown that slowing the rate of gypsy moth spread can provide returns of \$2 to \$18 for every dollar spent. Gypsy moths defoliate over 3 million acres and cause over \$500 million in damage annually in the United States. In Wisconsin, costs to the state, businesses and the public will grow as more counties become quarantined, requiring state inspections and certifications of shipments of nursery stock, Christmas trees, lumber and outdoor household articles. Defoliation reduces property values and the productivity of forests, and

high densities of gypsy moths increase public health problems, such as allergic reactions and respiratory problems.

Approval of one-time funding at the Scientific Working Group's approved level of acreage for the gypsy moth request and for the local fire department grant request would result in a projected balance in the forestry account of \$1,056,100. Providing one-time funding under this request would allow DATCP to meet the cost-share requirements for the federal grants and would not prevent future requests for funding. If property values increase more than projected, additional forestry mill tax revenues would become available for gypsy moth control or other purposes. Also, ongoing funding requests are more appropriately reviewed in the biennial budget process, which allows the Governor and the Legislature to balance the requests against other spending priorities.

**Recommendation**

Approve a one-time increase of \$62,400 SEG (conservation fund-forestry account) in fiscal year 1999-2000 in s. 20.115(7)(q) (gypsy moth eradication; conservation fund) to support gypsy moth control and eradication treatments.

Prepared by: Kirsten M. Grinde  
266-7973



State of Wisconsin  
Tommy G. Thompson, Governor

**Department of Agriculture, Trade and Consumer Protection**  
Ben Brancel, Secretary

**DATE:** November 24, 1999

**TO:** The Honorable Brian Burke, Senator  
Co-Chair, Joint Committee on Finance

The Honorable John Gard, Representative  
Co-Chair, Joint Committee on Finance

**FROM:** Ben Brancel, Secretary *Ben Brancel*  
Department of Agriculture, Trade and Consumer Protection

**SUBJECT:** S. 13.10 Request for Gypsy Moth Control Treatments

## Request

The Department of Agriculture, Trade and Consumer Protection requests an ongoing increase in expenditure authority of \$218,100, from the forestry account, for appropriation 20.115(7)(q). This amount will fund the state share of gypsy moth control treatments for 36,345 acres.

## Background

### Authority

ATCP 21 of the Wisconsin Administrative Code authorizes DATCP to conduct detection and control programs and public information programs on plant pests and movement of pests in Wisconsin. This regulation is based on sections 93.07, 94.01, and 94.02, WI Stats.

### Gypsy Moth Program Background

Since 1970, Wisconsin has surveyed, detected and successfully treated infestations throughout the state. Then, in 1990, survey results indicated that the gypsy moth was establishing itself in localized areas. Since that time, state and federal resources have been pooled and a long term strategic plan has been developed. The Wisconsin Cooperative Gypsy Moth Program was created.

The Wisconsin Cooperative Gypsy Moth Program is a cooperative effort among DATCP, Wisconsin Department of Natural Resources (DNR), United States Department of Agriculture-Forest Service (USDA-FS), USDA-Animal and Plant Health Inspection Service (USDA-APHIS), and University of Wisconsin-Madison (UW). These agencies work cooperatively to eradicate, control, and contain the gypsy moth. The Cooperative Gypsy Moth Program Mission Statement is : *The cooperating agencies will protect Wisconsin's environmental resources, forests, and recreational opportunities and the public health from the gypsy moth threat with programs that are biologically effective, environmentally responsible, economically justifiable, and operationally and managerially efficient.*

History of Gypsy Moth in the United States and Wisconsin

The gypsy moth was accidentally released in the northeast United States in 1869 (Liebhold et al., 1989). Since then it has spread southward and westward both naturally (Mason and McManus, 1981) and through the activities of man (McFadden and McManus, 1991; Liebhold et al., 1992). It is a voracious eater feeding on over 200 different species of plants (Liebhold, 1995). Nationally, it defoliates an average of 2 to 4 million acres annually. Defoliation from gypsy moth causes great loss to commercial and public forests and residential properties by tree defoliation, tree mortality and public health problems (allergic reactions to the hairs shed by caterpillars). Gypsy moth now infests most of northeastern North America (Liebhold et al., 1992). Gypsy moth is now becoming prevalent in states west of Lake Michigan, including Wisconsin. Twenty eastern Wisconsin counties are considered generally infested and are quarantined for gypsy moth (see Figure 1). Items such as nursery stock, Christmas trees, firewood, pulpwood, logs, and outdoor household articles must be certified free from gypsy moth before they can go from a quarantined area to a nonquarantined area. Certification can be achieved with inspection by state and/or federal inspectors and/or treatment of the material with approved pesticides.

To slow its spread, there are annual survey and control programs. In Wisconsin, surveys for gypsy moth have been done every year since 1971. In the last nine years, the cooperative program has maintained an aggressive survey and control program.

**Treatment and Survey History - 1991 to 1999**

Year	Treatments <i>(each site is treated twice)</i>	# of Traps Set	# of Moths Caught	# of LTE Surveyors
*2000	*104,400 acres	*35,000		*62
1999	54,420 acres	36,250	125,791	62
1998	38,435 acres	44,657	108,704	88
1997	36,895 acres	54,435	95,039	107
1996	28,864 acres	48,543	87,748	102
1995	20,304 acres	48,577	104,454	76
1994	51,800 acres	49,420	9,959	40
1993	35,270 acres	38,910	36,063	70
1992	40,765 acres	68,246	9,949	68
1991	5,875 acres	22,765	11,348	38

\*Estimated numbers for 2000

Treatments are extremely successful at reducing moth numbers in the treatment blocks (see Figure 2a).

Funding and Staffing for Current Fiscal Year (2000)

Funding for the gypsy moth program comes from a variety of state and federal sources: DATCP, DNR, USDA-FS, USDA-FS Slow-the-Spread (STS), and USDA-APHIS.

DATCP

DATCP has \$1,149,000 of state funds devoted to the gypsy moth program. This money comes from a variety of sources that pay for different aspects of the program (see table below).

Appropriation	FTE Salary	LTE Salary	Fringe	Supplies and Services	Spray	Total
7(q)						
Cost Estimate	\$218,000	\$131,000	\$ 97,100	\$246,900	\$247,000	\$ 940,000
Budget	\$220,300	\$128,800	\$ 97,000	\$246,900	\$247,000	\$ 940,000
7(qb)*						
Cost Estimate	\$ 66,000	-	\$ 26,400	\$ 13,600	\$103,000	\$ 209,000
Budget	\$ 69,500	-	\$ 27,600	\$ 16,600	\$103,000	\$ 216,700
<b>Total</b>						
Cost Estimate	<b>\$284,000</b>	<b>\$131,000</b>	<b>\$123,500</b>	<b>\$260,500</b>	<b>\$350,000</b>	<b>\$1,149,000</b>
Budget	<b>\$289,800</b>	<b>\$128,800</b>	<b>\$124,600</b>	<b>\$263,500</b>	<b>\$350,000</b>	<b>\$1,156,700</b>

\*Note-Differences between the cost estimate and the budget is due to the fact that the revenues have been less than the budget.

FTE assigned to the gypsy moth program include the following:

- 1 Plant Pest and Disease Specialist Supervisor
- 1 Program Coordinator
- 1 Trapping Coordinator
- 1 GIS/GPS Coordinator
- 1 GIS/GPS Assistant
- 1 Program Assistant
- 1 Plant Pest and Disease Specialist
- 1 Public Information Officer

DNR

DNR has approximately \$165,000 of state funds devoted to the gypsy moth program. DNR budgeted approximately \$20,000 for the spray program in 1999 to cover aerial observation and ground observation. The DNR has a program coordinator and two other pest specialists who contribute significant amounts of time to the program. During the spray program, DNR foresters serve as ground based observers monitoring application.

USDA-FS Cooperative Forestry Assistance

USDA-FS Cooperative Forestry Assistance will fulfill their cost share obligation (50/50 state/federal) for any eradication treatments greater than 640 acres that are outside the Slow-the-Spread Zone.

USDA-APHIS

USDA-APHIS will fulfill their cost share obligation (50/50 state/federal) for any eradication treatments less than 640 acres that are outside the Slow-the-Spread Zone.

## USDA-FS-STS

Beginning in 2000, the USDA Forest Service, State partners and other USDA agencies anticipate national implementation of Slow-the-Spread. Across the 1,200 mile gypsy moth frontier from Wisconsin to North Carolina (see Figure 2 for Wisconsin STS Action Zone), implementation of STS is expected to:

- 1) Reduce the rate of gypsy moth spread by 50%.
- 2) Protect forests, forest-based industries, urban and rural parks, and private property.
- 3) Avoid at least \$22 million per year in damage and management costs.

Currently, full funding for STS is included in the Interior Appropriations Bill and is awaiting President Clinton's signature.

Anticipated cost share ratios are:

- 1) Treatment – 75% STS and 25% State
- 2) Survey – 50% STS and 50% State

## **Analysis**

### The Problem

1999 male moth survey data and egg mass survey data, which became available in November 1999, indicated that gypsy moth is still prevalent in Wisconsin (see Figures 3 and 4). 125,791 male gypsy moths were caught in Wisconsin in 1999. Moths were captured in 67 of Wisconsin's 72 counties. Gypsy moth alternate life stages (such as egg masses, caterpillars, and female moths), that indicate a reproducing population, were found at 58 sites covering 18 counties. These alternate life stage sites are located outside of the generally infested quarantined counties.

After review of the 1999 survey data, representatives from DATCP and Forest Service- STS personnel recommended that 101,400 acres at 80 sites be treated to slow the rate of spread of this pest (see Figure 5). The decision to treat 101,400 acres was backed by recommendations made by a computer-based model, which was developed by the four- year STS pilot project. This model makes treatment and survey recommendations using male moth survey data. We also anticipate eradication treatments on approximately 3,000 acres outside the STS Zone. This gives a grand total of 104,400 acres. Treatments would occur in the spring of 2000. This is more acreage than was treated in any of the last five years (see previous table - Treatment and Survey History - 1991 to 1999). DATCP currently has enough resources to cost share on treatments for 68,055 acres.

**We still need approximately \$218,100 of state funds to match STS funds in order to treat the remaining 36,345 acres.**

### Cost Calculations

Type of Treatment	Acres	Cost per Acre	Total Cost	Cost Share-Federal	Cost Share State
Eradication <i>Bacillus thuringiensis</i>	3,000	\$24.00 (includes two applications per acre)	\$ 72,000	\$36,000 50% cost share with Forest Service or APHIS	\$ 36,000 50% cost share
STS <i>Bacillus thuringiensis</i>	75,160	\$24.00 (includes two applications per acre)	\$1,803,840	\$1,352,880 75% cost share with Forest Service STS	\$450,960 25% cost share
STS Pheromone Flakes	26,240	\$20.00 (one application)	\$ 524,800	\$ 393,600 75% cost share with Forest Service STS	\$131,200 25% cost share
<b>SUB TOTALS</b>	<b>104,400</b>		<b>\$2,400,640</b>	<b>\$1,782,480</b>	<b>\$618,160</b>
				\$ 50,060	\$ 50,060 Perm. Staff as in kind service. Allows us to add \$50,060 to the federal side in contractor costs and reduce our contractor costs by \$50,060.
<b>TOTAL</b>	<b>104,400</b>		<b>\$2,400,640</b>	<b>\$1,832,540</b>	<b>\$568,100</b>
					- \$350,000 money DATCP has available for spray
					<b>\$218,100</b> <b>Amount still needed</b>

If no federal funds were available, Wisconsin would need \$2,400,640 in order to treat 104,400 acres. However, with federal funds Wisconsin only needs \$568,100 to treat the 104,400 acres.

### Consequences of Not Controlling Gypsy Moth Infestations

Failure to control gypsy moth populations at the above mentioned areas could have the following ramifications:

- The more rapid infestation of Wisconsin public and private forests would result in financial losses due to reduced yields and costly pesticide treatments.
- Rapid initiation of quarantines with increased costs for industry treatment and state inspections.
- Defoliation of the forests would result in esthetic degradation adversely affecting the tourism and recreational industries.
- Defoliation of residential areas would cause losses in property values and invite extensive use (and possible misuse) of pesticides.

- High numbers of gypsy moth caterpillars would cause public nuisance and public health problems. Hairs from the caterpillars can cause allergic reactions such as eye irritation, skin rashes, and respiratory problems.

USDA-APHIS and DATCP could initiate quarantines in order to reduce the risk of artificial spread of the insect. Christmas trees growers, nursery stock growers and dealers, loggers, firewood shippers, and moving companies shipping outdoor household articles would be barred from certain geographic markets or would be required to pay prescribed pesticide treatments plus schedule DATCP or USDA inspections and certification in order to ship regulated articles. Treatments to control gypsy moth in nurseries and Christmas Tree farms could cost an average of \$35 per acre. The Waushara County Christmas tree industry is a prime example. In 1998, Christmas Tree growers paid approximately \$2.35 per acre to have their trees inspected and certified free of gypsy moth. Waushara County is not quarantined for gypsy moth. If it is quarantined, growers could pay an average of \$35 or more per acre to certify that their trees are free from gypsy moth. The increase in cost would be due to treatment of fields by the grower and increased inspections by DATCP or USDA staff. If gypsy moth infests Waushara County and it is quarantined, it is possible that 5,000 acres (of the total 10,000 acres) of Christmas Trees may need to be inspected and treated for gypsy moth each year. This could amount to a cost of \$175,000 annually to Waushara County Christmas Tree growers.

The economic impacts that are likely as gypsy moth spreads into new areas have been estimated (STS; Leuschner et al., 1996; Leuschner, 1991):

Impact Category*	Assumptions	Value
Timber (5%)	Outbreak on 10% of the susceptible host	10 year loss in growth and yield
Recreation (5%)	Loss of visitor days	\$13.50 per visitor day
Government activities (30%)	Increase in gypsy moth management costs	\$0.18 per acre
Residential (60%)	Willingness to pay to avoid impacts	\$41 per household

\*Percent of total impacts

#### Benefits of Controlling Gypsy Moth Infestations

Gypsy moth spreads at an average rate of 13 miles per year. Aggressive survey and control programs, such as the one in Wisconsin (and the USDA- Forest Service Slow-the-Spread program), have shown that the rate of gypsy moth spread can be reduced by as much as 50% to 6 miles per year. The potential benefits of slowing the spread of gypsy moth have been calculated (Leuschner et al., 1996; Leuschner, 1991). If the average rate of spread is reduced by half, to 6 miles per year, this would give a \$2 (most conservative) to \$18 (least conservative) return for every dollar spent.



**RECOMMENDATIONS : FUND DATCP AN ADDITIONAL \$218,100 FROM THE FORESTRY ACCOUNT SO WE CAN MATCH FOREST SERVICE FUNDS IN ORDER TO TREAT AN ADDITIONAL 36,345 ACRES (GIVING A TOTAL OF 104,400 ACRES).**

**How the Request Meets Statutory Criteria [s.13.101(3) and (4)]**

The criteria are:

1. An emergency exists,
2. no funds are available for such purposes, and
3. the purpose for which a supplemental appropriation is requested has been authorized or directed by the legislature.

DATCP currently only has enough resources to treat 68,055 acres. To treat more acreage, additional funds are needed in order to cost share with Forest Service funds. Therefore, the Department of Agriculture, Trade and Consumer Protection requests an increase in expenditure authority of \$218,100, from the forestry account, for appropriation 20.115(7)(q). This amount will fund the state share of gypsy moth control treatments for an additional 36,345 acres, allowing treatment of 104,400 acres. ATCP 21 of the Wisconsin Administrative Code authorizes DATCP to conduct detection and control programs and public information programs on plant pests and movement of pests in Wisconsin. This regulation is based on sections 93.07, 94.01, and 94.02, WI stats. Failure to address this need could result in the more rapid establishment and westward spread of the insect.

Quarantines on additional counties would be the most immediate threat. Nursery stock, Christmas trees, firewood, pulpwood, logs, and outdoor household articles would need to be inspected and certified free of gypsy moth by DATCP or USDA inspectors before they could move to nonquarantined areas. Businesses may also have to pay for costly treatments if gypsy moth is found on their materials.

Populations would eventually build to defoliating levels. Defoliation of the forests would have a negative impact on the tourism industry. Financial losses to the timber industry would occur due to reduced yields and expensive pesticide treatments. For example, Pennsylvania lost \$40 million in trees to the gypsy moth between 1972 and 1980.

Defoliation in residential areas would cause losses in property values and possible extensive use (or even misuse) of pesticides. High numbers of gypsy moth caterpillars, up to 1 million or more per acre, would cause public nuisance and public health problems. Hairs from the caterpillars can cause allergic reactions such as eye irritation, skin rashes, and respiratory problems.

This is a need that must be addressed now. The recommended treatments to control gypsy moth infestations will begin around the middle of May 2000.

**More importantly, USDA Forest Service and USDA-APHIS requires that the state notify them by the end of February how much of the money they allocated for Wisconsin will be used. Wisconsin can only use this money with a state cost share. If Wisconsin does not commit state money as our cost share, Forest Service and/or USDA-APHIS will redistribute the allocated money to another state and/or program. Also, the contract with the aerial applicator must be awarded by the middle of February.**

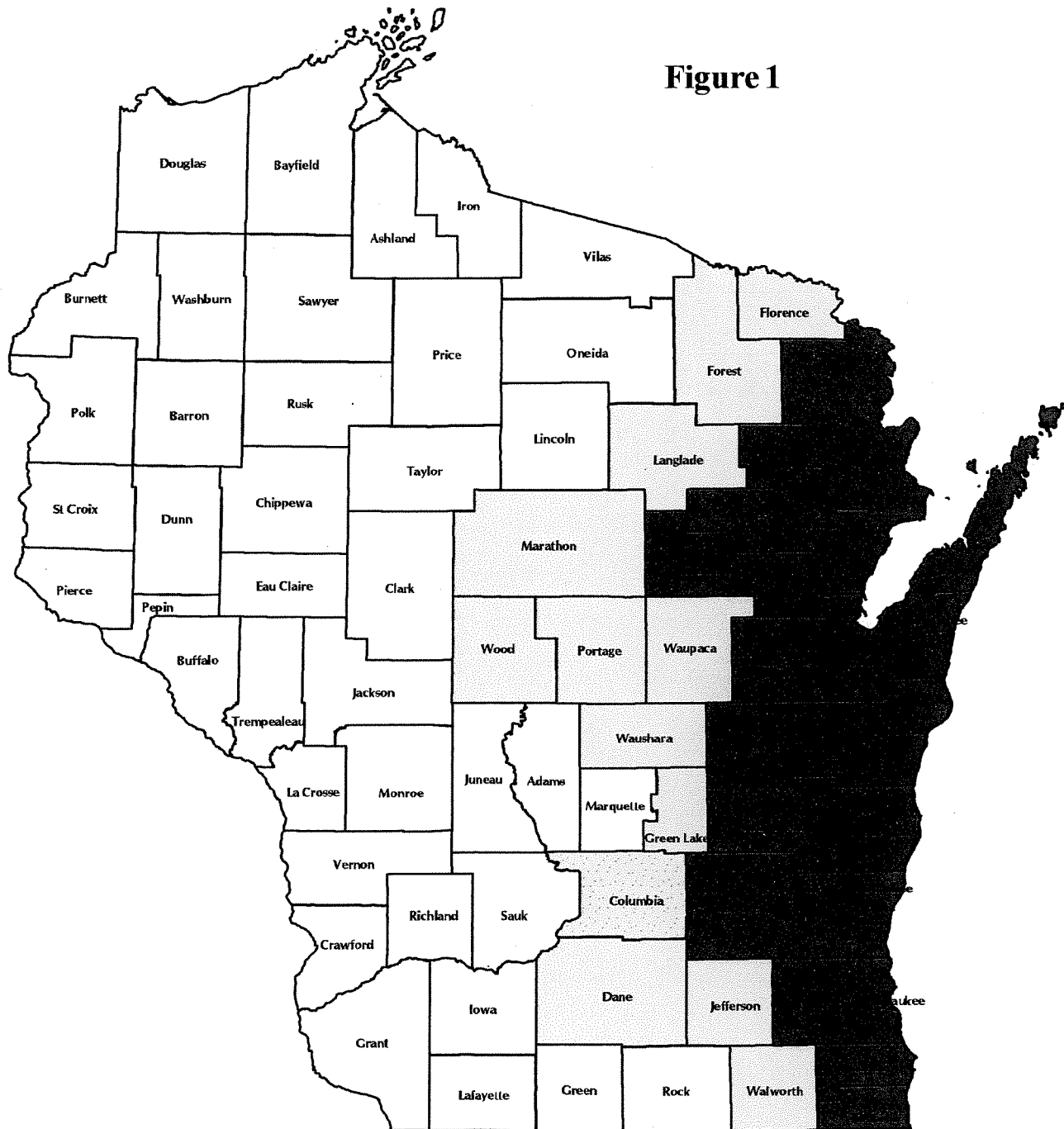
By acting now on the most critical areas we can delay the impact of adverse economic, social, and health consequences on counties where the gypsy moth is not yet fully established.

### **Department Representative**

Nicholas J. Neher will represent the Department at the 13.10 meeting.

# 1999 Quarantine & Transition Zone Counties

Figure 1



 Quarantine Counties  
 Transition Zone Counties

# Evaluating Treatment Success

City of Madison and Surrounding Areas

Figure 2a

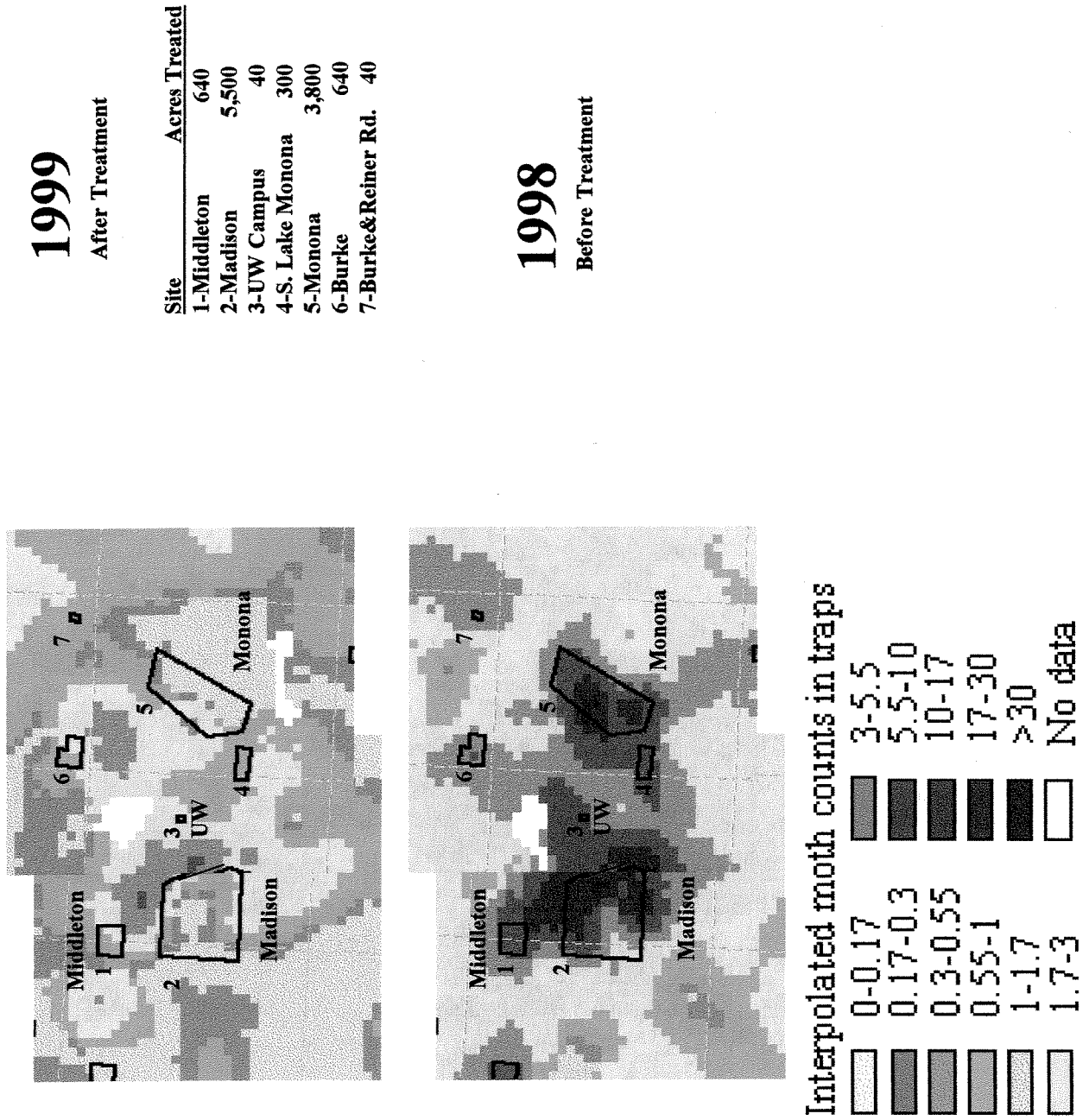
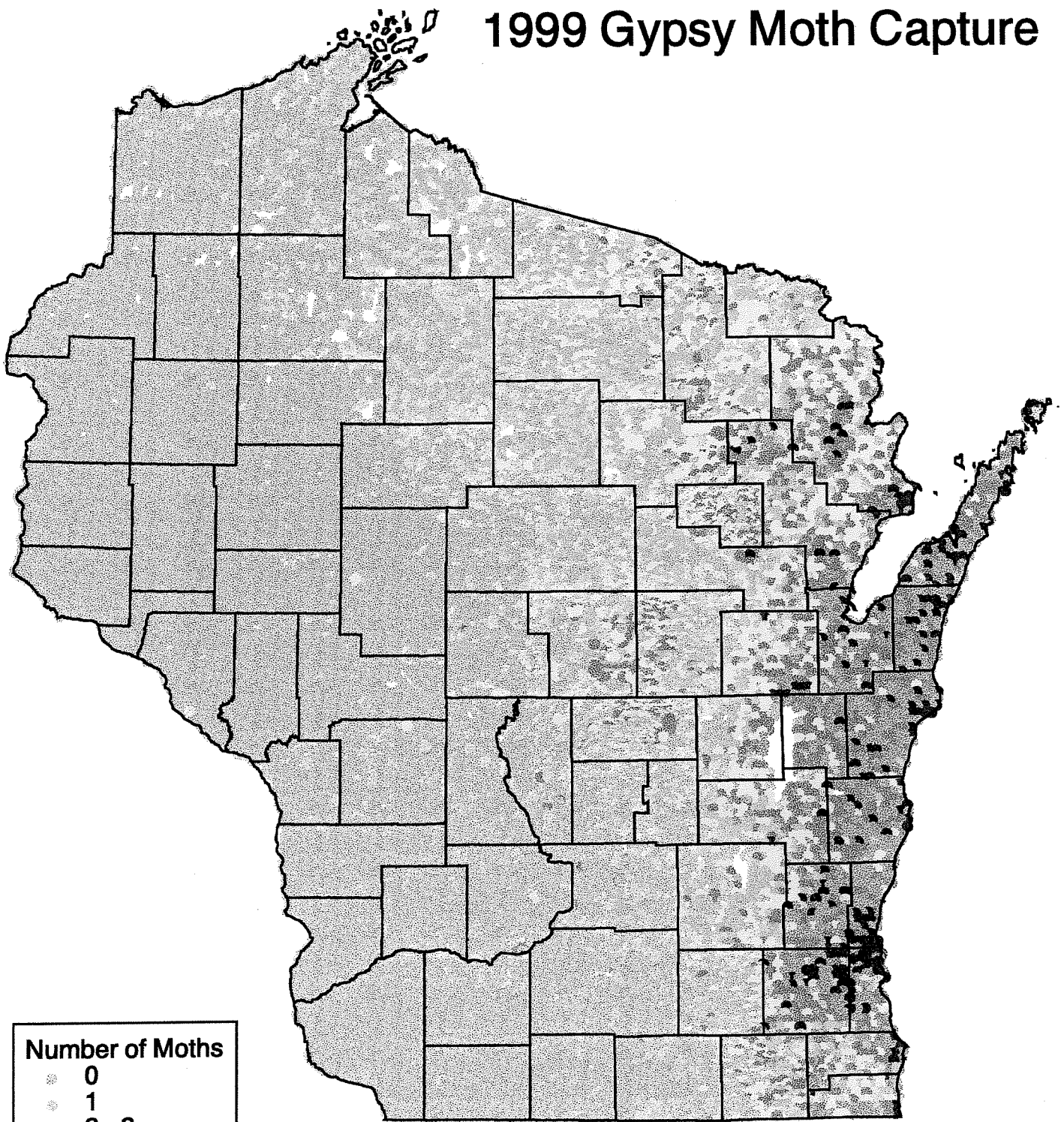






Figure 4

# 1999 Gypsy Moth Capture



**Number of Moths**

- 0
- 1
- 2 - 3
- 4 - 9
- 10 - 25
- 26 - 100
- 101 - 499
- 500 +

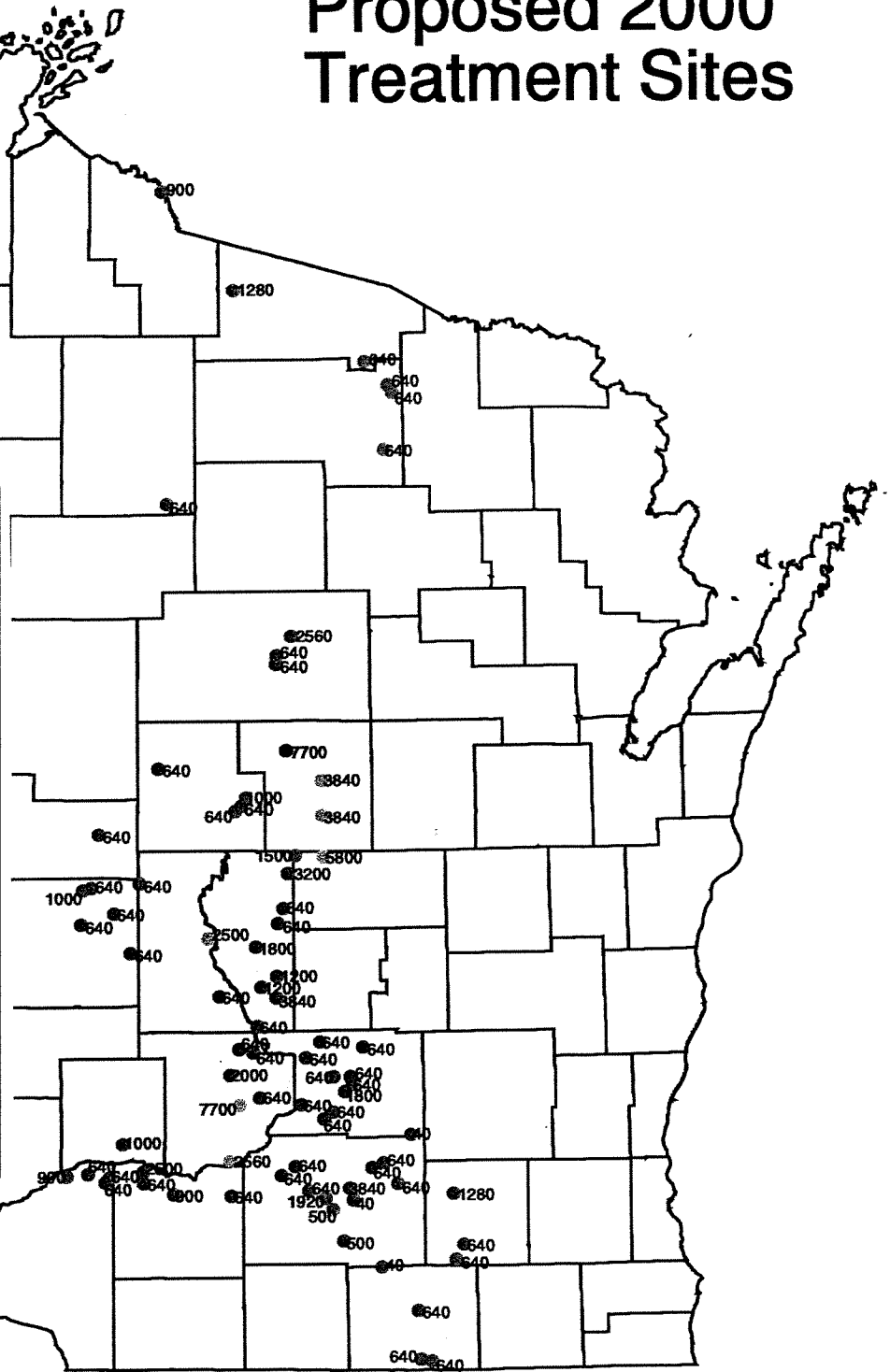
0 20 40 60 80 Miles



Figure 5

# Proposed 2000 Treatment Sites

County	Number of Sites	Acres
Adams	9	14,660
Columbia	10	6,960
Dane	12	10,680
Forest	1	640
Iowa	8	7,500
Iron	1	900
Jackson	1	640
Jefferson	3	2,560
Juneau	3	3,780
Marathon	3	3,840
Monroe	5	3,560
Oneida	2	1,280
Portage	3	15,380
Price	1	640
Richland	1	1,000
Rock	3	1,920
Sauk	7	14,820
Vilas	2	1,920
Waushara	1	5,800
Wood	4	2,920
<b>TOTAL</b>	<b>80</b>	<b>101,400</b>



0 20 40 60 80 Miles





VIII. Department of Agriculture, Trade and Consumer Protection – Ned Zuelsdorff,  
Director, Bureau of Agrichemical Management, Division of Agricultural Resource  
Management

The department requests position authority for 1.0 FTE SEG permanent position and a supplement of \$34,000 SEG in fiscal year 1999-2000 and \$117,300 SEG in fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(u) to the department's pesticide regulation and administration of agricultural chemical cleanup program appropriation under s. 20.115(7)(u). The request provides permanent funding for an Integrated Pest Management (IPM) program in elementary and secondary schools.

Governor's Recommendation

Deny the request.