

2015 DRAFTING REQUEST

Bill

Received: **9/30/2014** Received By: **mpfotenh**
Wanted: **As time permits** Same as LRB:
For: **Administration-Budget 266-1103** By/Representing: **Byrnes**
May Contact: Drafter: **mpfotenh**
Subject: **Agriculture - soil and water** Addl. Drafters:
Extra Copies:

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **sbostatlanguage@webapps.wi.gov**
becky.tradewell@legis.wisconsin.gov
elisabeth.shea@legis.wisconsin.gov
mary.pfotenhauer@legis.wisconsin.gov

Pre Topic:

DOA:.....Byrnes, BB0089 -

Topic:

Soil and water resource management bonding

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mpfotenh 10/2/2014			_____			
/1		kfollett 10/2/2014	jfrantze 10/2/2014	_____	lparisi 10/2/2014		State S&L

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<END>

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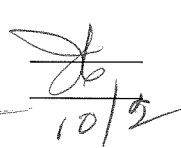
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/?	mpfotenh	11/5f 10/2	11/5f 10/2	 10/2			State S&L

FE Sent For:

<END>

Tradewell, Becky

From: Hanaman, Cathlene
Sent: Tuesday, September 30, 2014 12:00 PM
To: Tradewell, Becky; Pfothauer, Mary; Shea, Elisabeth
Subject: FW: Statutory Language Drafting Request - BB0089

From: Tyler.Byrnes@Wisconsin.gov [mailto:Tyler.Byrnes@Wisconsin.gov]
Sent: Tuesday, September 30, 2014 10:25 AM
To: Hanaman, Cathlene
Cc: Frederick, Caitlin - DOA; Byrnes, Tyler - DOA; Connor, Christopher B - DOA
Subject: Statutory Language Drafting Request - BB0089

Biennial Budget: 2015-17

DOA Tracking Code: BB0089

Topic: Soil and Water Resource Management Program Bonding Authority

SBO Team: AEJ

SBO Analyst: Byrnes, Tyler - DOA
Phone: (608) 266-1103
E-mail: Tyler.Byrnes@Wisconsin.gov

Agency Acronym: DATCP

Agency Number: 115

Priority: Low

Intent:

INcrease the authorization under s. 20.866(2)(we) by \$7 million.

Attachments: False

Please send completed drafts to SBOStatlanguage@webapps.wi.gov

Decision Item (DIN) - 4002

Decision Item (DIN) Title - Soil and Water Resource Management Aids

NARRATIVE

The department requests \$7.0 million in additional bonding authority for the Soil and Water Resource Management Program. Bonding supports cost-share grants to landowners for installation of runoff control technologies such as manure storage. This is a standard request as part of the state's long-running nonpoint water pollution control efforts.

Soil and Water Resource Management Program Bonding Authority

Biennial Budget Issue Paper

DIN 4020

Wisconsin Department of Agriculture, Trade and Consumer Protection

September 15, 2014

Request:

The department requests an increase of \$7.0 million in bond authority for landowner cost-sharing provided through the soil and water resource management program (SWRM) authorized by Chapter 92, Stats. The department has received the same authorization in each biennium since 2008.

Analysis:

As in past years, the department plans to allocate half of the authorization (\$3.5 million) for grants awarded to counties in each year of the next biennium. These funds enable counties to offer farmers and others cost-share funds to install conservation practices. These practices include manure storage facilities, systems to control runoff from barnyards and feed storage, waterways and other erosion controls, and shoreline and stream bank protection. Under state law (s. 281.16, Stats.), farmers must receive cost-sharing of 70 percent (90 percent in the case of economic hardship) if they are required to install conservation practices. The requested increase in bond authority ensures an adequate supply of cost-sharing particularly for farmers who must receive funds, supports the installation of practices that protect water quality, and sustains progress in implementing state nonpoint pollution control goals.

This funding is particularly important to farmers. In today's world of farming, preventing runoff and protecting groundwater are critical to avoiding environmental liability, and meeting requirements of different programs including the enhanced requirements for farmers to claim tax credits under the Farmland Preservation Program (FPP). Over time, the challenges of meeting conservation responsibilities have grown but the resources to assist farmers have not kept pace. Increased bond cost-sharing will help farmers overcome the following barriers to meeting their conservation responsibilities:

- *Additional conservation responsibilities.* In 2011, farmers were required to meet new performance standards adopted by DNR. According to a DNR fiscal estimate, the new prohibitions against the discharges of feed storage leachate and milking center wastewater alone are expected to cost "\$9,312,500 to completely implement the standard statewide." By the end of 2015, farmers claiming FPP tax credits will need to meet increased conservation compliance requirements based on these performance standards.
- *Increased costs for practice installation.* Manure storage has become increasingly

important to sound livestock management while installation costs continue to increase. For example, installation costs for practices have increased in the last 5-10 years as follows: excavation costs have increased by over 60 percent to \$3.50 per cubic yard; concrete costs, increased about 60 percent to \$125 per cubic yard; steel used for rebar, increased by 15 percent to \$6,600 per ton; HDPE liner, waterstop and other plastic components, increased by 20-30 percent in costs (e.g. 8 inch PVC pressure pipe can be as high as \$9.75 per linear foot).

- *Increased costs based on facility size.* As livestock operations grow, the costs of conservation practices increase in two ways: the scale of the conservation practice increases to reflect the greater size, the operation faces new requirements that only apply to larger livestock facilities.
- *Increased costs to meet tighter technical standards.* Over time, technical requirements for conservation practices have become more demanding in response to many factors including the need to accommodate heavier equipment, more intensive farming activities, and new scientific research. In practice, for manure storage, increased technical requirements translate into greater costs for recompaction, rebar, and waterstop.
- *Reduced state bond cost-sharing for farm practices.* In the thirteen years since the redesign of the nonpoint pollution control program, state bond cost-sharing from DNR and DATCP has declined from an annual allocation of \$16 million in 2002 to \$5.6 million in 2015. In addition, farmers must compete with other landowners to access bond funds which counties use to meet all of the local conservation priorities identified in their Land and Water Resource Management plans. For example, shoreline and stream bank protection projects consistently rank in the top three of county expenditures involving DATCP cost-share dollars.

From many perspectives, including improved drinking water and high quality waters that support tourism, everyone benefits from landowners who install conservation practices with state cost-share dollars. The failure to provide cost-share funding for these practices not only jeopardizes these benefits, it will in the end drive up the costs to clean up environmental problems.

Soil and Water Resource Management Program Bonding Authority

Biennial Budget Issue Paper

DIN 4020

Statutory change required:

Increase the authorization under s. 20.866 (2) (we), Stats., from \$54,075,000 to \$61,075,000.



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0332/1
MCP: *ef*

DOA:.....Byrnes, BB0089 – Soil and water resource management bonding
FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

Don 4 Gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

AGRICULTURE ✓

Under current law, DATCP administers the Soil and Water Resource Management Program. The program awards grants to counties to help fund their land and water conservation activities. This bill increases the general obligation bonding authority for the Soil and Water Resource Management Program by \$7,000,000.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 20.866 (2) (we) of the statutes is amended to read:

3 20.866 (2) (we) *Agriculture; soil and water*. From the capital improvement
4 fund, a sum sufficient for the department of agriculture, trade and consumer
5 protection to provide for soil and water resource management under s. 92.14. The

- 1 state may contract public debt in an amount not to exceed ~~\$54,075,000~~ \$61,075,000
- 2 for this purpose.

History: 1971 c. 42; 1971 c. 100 s. 23; 1971 c. 125, 211, 215, 236, 307, 330, 336; 1973 c. 90 ss. 148 to 149m, 555m (2); 1973 c. 333; 1975 c. 26, 39, 40, 41, 200, 224, 422; 1977 c. 4, 6; 1977 c. 29 ss. 385 to 387, 1650m (4), 1656 (43); 1977 c. 418; 1979 c. 4; 1979 c. 34 ss. 675a to 677v, 2102 (6) (a), (39) (a), (52) (a); 1979 c. 107, 221; 1981 c. 1 ss. 17, 18, 47; 1981 c. 20, 108, 317, 336; 1983 a. 27; 1983 a. 36 s. 96 (4); 1983 a. 97, 192, 195, 212; 1983 a. 410 s. 2202 (2); 1985 a. 6; 1985 a. 8 ss. 4, 12; 1985 a. 29 ss. 589m to 598, 3202 (23) (c), (26) (a), (53) (a); 1985 a. 77, 120, 332; 1987 a. 27, 295, 298, 399, 403, 409; 1989 a. 31, 46, 107, 122, 219, 336, 359, 366; 1991 a. 39, 51, 269, 309, 324; 1993 a. 2, 16, 98, 115, 213, 343, 377, 413, 437, 453, 485; 1995 a. 27 ss. 1159 to 1168s, 9126 (19), 9145 (1); 1995 a. 40, 57, 60, 113; 1995 a. 216, s. 30m and 9127; 1995 a. 227, 246, 372, 388, 416, 452; 1997 a. 27, 35, 61, 164, 237, 252; 1999 a. 4, 9, 146; 1999 a. 150 s. 672; 1999 a. 184; 2001 a. 12, 16, 103, 109; 2003 a. 33, 64, 91, 129; 2005 a. 1, 22, 25, 102, 300; 2007 a. 5; 2007 a. 20 ss. 582 to 597s, 9121 (6) (a); 2007 a. 226; 2009 a. 28, 361; 2011 a. 13, 32, 158; 2013 a. 20.

3

(END)



State of Wisconsin
2015 - 2016 LEGISLATURE



LRB-0332/1
MCP:kjf:jf

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FOR 2015-2017 BUDGET – NOT READY FOR INTRODUCTION

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