



## Legislative Fiscal Bureau

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

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Joint Committee on Finance

Paper #656

### **Dredging to Improve Great Lakes Recreational Access (DNR – Fish, Wildlife and Recreation)**

[LFB 2001-03 Budget Summary: Page 478, #27]

#### **CURRENT LAW**

Under the recreational boating projects program, DNR provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, the Lower Wisconsin State Riverway Board and the Fox River Management Commission for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. A grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR. Feasibility studies, which are eligible for state cost-sharing, must be completed for any project before it is assigned to a priority list.

1997 Act 27 provided DNR with the authority to provide grants for up to 80% of the costs of developing recreational boating facilities (and up to 90% if the sponsor conducts a boating safety program) if the project is deemed to be of regional or statewide importance by the Waterways Commission. After a public review and comment period, the Natural Resources Board approved a draft of the rules at their December 6, 2000, meeting. The rules were then submitted to the Legislature for consideration. The proposed rule would limit the increased grant levels to certain facilities on large lakes with breakwaters and certain Mississippi River sites. After review by the Senate Committee on Environmental Resources, the proposed rules were returned to DNR for further consideration. Until the final rules are approved, the 50 to 60% maximum cost-share level is maintained.

The following restrictions apply to the distribution of grants: (a) no more than 10% of state funding may be expended for feasibility studies in any year, and no more than 1% may be provided for any one feasibility study; (b) at least 40% of state funding must be expended for Great Lakes projects, 40% must be expended for inland lakes projects and 20% may be expended

for projects deemed necessary by the Waterways Commission without regard to location; and (c) no state funds may be used for the acquisition of land or for the construction of berths.

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. The Commission is attached to DNR and is comprised of the following members: (a) one resident of the Lake Superior area; (b) one resident of the Lake Michigan area; (c) one resident of the Mississippi River area; (d) one resident of the Lake Winnebago watershed area; and (e) one resident from the inland area of the state. Each member must be able to assess the recreational water use problems in his or her geographical area of the state. The Waterways Commission approves recreational boating projects found to be feasible by the DNR and supported by the local unit of government or qualified sponsor.

## **GOVERNOR**

Expand eligibility criteria under the recreational boating aids grant program to include dredging to improve recreational access to the Great Lakes.

## **DISCUSSION POINTS**

1. Currently, inland channel dredging (to the degree necessary to accommodate recreational watercraft) projects are eligible to receive funding under this program. Dredging the channel of a river emptying into one of the Great Lakes is currently eligible; however, a project that involves dredging a channel within the body of one of the Great Lakes is ineligible. This includes channels in protected Great Lakes harbors.

2. The recreational boating appropriation of \$4,547,000 in 2000-01 from the water resources account (motorboat gas tax revenues) was committed for various projects by March of 2001. The Department indicates that it currently has applications for \$1.6 million in projects that will not be able to be considered for funding until July 1, 2002, and anticipates receiving additional applications for projects in the months before funding under the next fiscal year becomes available. Program management staff indicate that this level of demand is not uncommon, and are aware of feasibility studies for major harbor projects that may be eligible for between \$3.6 million and \$4 million of funding as early as 2003.

3. Given that funding for the recreational boating program does not meet current demand, it may be argued that expanding eligibility to include additional classifications of projects will only increase the number of projects that could not be funded. While DNR was unable to provide an estimate of the level of increased demand for funds that would be created by this eligibility expansion, lowered water levels throughout the Great Lakes would seem to make projects under this provision appealing. Increasing the eligible number of projects may also increase interest in acquiring additional state aid for recreational boating projects.

4. However, since the recreational boating project aids program is a competitive grant program, it could be argued that increased demand would still result in only the most worthy projects being funded (within appropriated amounts). Further, as channel dredging of inland waters and rivers emptying into the Great Lakes is currently an eligible expense, it is argued that it would be equitable to include the dredging of channels in the Great Lakes as well.

#### **ALTERNATIVES TO BASE**

1. Approve the Governor's recommendation to expand the eligibility criteria under the recreational boating aids grant program to include dredging to improve recreational access to the Great Lakes.
2. Maintain current law.

Prepared by: Rebecca Hotynski