



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #537

### **ATV Safety Enhancement Grant Program (DNR -- Fish, Wildlife, and Recreation)**

[LFB 2003-05 Budget Summary: Page 319, #18]

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#### **CURRENT LAW**

The ATV safety enhancement program was created under 2001 Act 16. The program is funded at \$250,000 annually. Available funding is awarded in the form of a grant to a non-profit organization (currently the National Off-Highway Vehicle Insurance Services Group, Inc. or NOHVIS), and is intended to assist DNR in promoting the operation of ATVs in a safe and responsible manner, recruiting and training volunteer ATV safety instructors, and improving relationships with groups that promote recreational ATV operation.

#### **GOVERNOR**

Provide \$100,000 annually from the ATV account to increase funds available for the ATV safety enhancement program. Under the bill, total funding available for the initiative would increase to \$350,000 each year.

#### **DISCUSSION POINTS**

1. Under the safety enhancement program, NOHVIS reports having established contact with a variety of ATV clubs statewide, recruiting 89 volunteer ATV safety instructors and over 100 ATV ambassadors, conducting an ATV user survey among interested groups, and conducting various events and public education efforts to promote safe and responsible ATV use. Ambassadors meet with ATV clubs, landowners, and other interested groups to promote safe and ethical ATV use of trail resources, safety education, and the development of additional opportunities for ATV recreation.

2. When the program was created in the 2001-03 biennial budget, base funding of \$250,000 annually was provided. Due to concerns over the available balance in the ATV account during the 2003-05 biennium, DNR (after discussions with NOHVIS) requested that the Governor reduce funding for the program to \$100,000 annually beginning in 2003-04. However, due to a miscommunication of intent, DOA increased funding provided for the program by \$100,000 annually, for a total of \$350,000 in funding for the program each year.

3. Based on expenditures authorized in the bill, the ATV account would be expected to be in deficit at the end of the 2003-05 biennium. The following table shows the condition of the account. The expenditures shown are those included in SB 44, with the exception of certain sum sufficient reestimates (such as the ATV gas tax transfer). Revenues shown include reestimates completed by this office during the course of its review of the Governor's budget bill.

### ATV Account Condition Statement

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Opening Balance	\$2,233,700	\$411,100	-\$39,300
Revenue			
ATV Registrations	1,207,200	1,448,700	1,522,800
Interest Income	47,700	23,900	25,000
Other	6,900	6,900	6,900
Motor Fuel Tax Transfer	<u>1,081,400</u>	<u>1,237,400</u>	<u>1,405,600</u>
Total Revenue	\$2,343,200	\$2,716,900	\$2,960,300
Total Available	\$4,576,900	\$3,127,900	\$2,921,000
Expenditures	\$2,779,300	3,144,300	3,343,300
Encumbrances and Reserves	\$1,386,500	\$22,900	\$32,800
Closing Balance	\$411,100	-\$39,300	-\$455,100

4. If the Department's request for funding of \$100,000 annually for the ATV safety enhancement program were provided (rather than the \$350,000 provided annually under the bill), the ATV account would be expected to have a June 30, 2005 balance of \$44,900. While support for the program would be reduced, NOHVIS members indicate that they would still be able to conduct some activities and continue work on ATV promotion and coordination efforts with the reduced funding.

5. Alternatively, if the Committee chose to maintain funding for the safety enhancement program at \$250,000 annually (the amount provided under Act 16), trail aids funding could be reduced by \$130,000 annually to balance the account. Under this alternative, trail aids funding of \$1,732,700 in 2003-04 and \$1,900,900 in 2004-05 would be provided (compared to \$1.6 million available in 2002-03).

6. The Committee could also choose to approve the Governor's recommendation to increase funding for the ATV safety enhancement program by \$100,000. Under this alternative, expenditures from the ATV account under the bill would need to be reduced by \$230,000 annually in 2003-04 and 2004-05 in order to maintain a positive balance in the account at the end of the 2003-05 biennium. If trail aids were reduced by this amount each year, funding of \$1,632,700 in 2003-04 and \$1,800,900 in 2004-05 would be available for this purpose.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$100,000 annually from the ATV account to increase funds available for the ATV safety enhancement program. Under the bill, funding for the initiative would increase to \$350,000 annually. In addition, reduce expenditures related to state and local ATV trail aids by \$230,000 annually. (Under this alternative, the ATV account would be expected to have a June 30, 2005 balance of \$4,900).

<u>Alternative 1</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$460,000

2. Reduce funding for the safety enhancement program to \$100,000 annually (the Department's request). Under this alternative, the ATV account would be expected to have a June 30, 2005 balance of \$44,900.

<u>Alternative 2</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$500,000

3. Delete \$100,000 annually from the amount provided under the bill for the ATV safety enhancement program (\$250,000 would be provided annually). In addition, reduce expenditures related to state and local ATV trail aids by \$130,000 in each year of the biennium. (Under this alternative, the ATV account would be expected to have a June 30, 2005 balance of \$4,900).

<u>Alternative 3</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$460,000

4. Delete the provision.

<u>Alternative 4</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$200,000

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