



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #727

Kickapoo Valley Reserve Property Management (Tourism)

[LFB 2003-05 Budget Summary: Page 406, #6]

CURRENT LAW

The Kickapoo Valley Reserve refers to approximately 8,600 acres of land north of La Farge in Vernon County. The Reserve is appropriated base funding of \$204,000 SEG annually, from the forestry account of the conservation fund, for the Reserve's general operations.

GOVERNOR

Provide \$45,500 in 2003-04 and \$60,700 in 2004-05 from forestry SEG for property management costs at the Kickapoo Valley Reserve. Funds would be used to contract for the following services: sustainable timber harvest and timber stand improvement, tree planting, prescribed burns and mowing to maintain grassland habitat, oversight of agricultural leases on the property, recreational trail improvements and maintenance, environmental education programs, property management demonstrations and education, and grassland and riparian management.

DISCUSSION POINTS

1. The Kickapoo Reserve is authorized 2.0 permanent staff, an executive director and an executive assistant. The executive director's duties consist of the supervision and coordination of services to the Kickapoo Valley Reserve Board, overall supervision of the Reserve, consulting with state, federal, tribal and local governments, and other activities and responsibilities as directed by the Reserve's Board. The executive assistant provides clerical and administrative support to the Board and director, provides fiscal, administrative and management assistance, coordinates office operations and responds to visitor and public questions and requests for information. The Reserve

also supports two LTE's, an engineering technician and a laborer/helper, who work primarily May through August. The technician serves as a crew leader for field work, does necessary maintenance work on the Reserve, oversees bid contracts, conducts surveys and collects data and does various jobs as needed. The laborer's duties consist of maintenance tasks throughout the Reserve, and providing help with Reserve office operations.

2. The Kickapoo Reserve requested 1.0 property manager position arguing that it would be the most efficient and beneficial for the Reserve. The Reserve argues that while it currently has two LTEs who help manage the property, the fact that they primarily work in the summer, the reserve's size (8,600 acres), the limited amount of oversight the property received before its transfer from the federal government to the state, and the increase of visitors to the property call for a full-time property manger. The Reserve would use this position for: year-round maintenance, erosion control and improvements on recreational trails; follow-through with contractors for projects in campsites, river access points and bridges; timber management and harvest oversight, and agricultural lease oversight; and implementation of land management plans to restore native species, demonstration sites and special plantings. A full-time property manager would allow for one individual to develop a thorough understanding of the property and provide a consistent presence year-round. This familiarity, it is argued, would be useful for the long-term maintenance and management of the Reserve.

3. In making his budget recommendations, the Governor made it a priority to decrease the number of state government positions, but still viewed the activities that the property manager was to perform at the Kickapoo Valley Reserve as important. Therefore, the bill would provide funding for the Reserve to contract for property management activities.

4. Some argue that contracting with a private business or individual for property management services may be more beneficial than hiring a permanent state staff position. Contracting with a private entity may offer the Reserve more flexibility to meet changing demands. For example, this could allow the Reserve to hire specialists to individual contracts or let the Reserve contract for services on an as needed basis. Reserve officials indicate that under the bill they would attempt to contract with a qualified individual for an initial nine-month trial period (from October through June for around \$30,000) in the first year, before making any long-term agreements for the property's management. If a satisfactory general contractor could not be found, the Reserve would seek to contract for specific tasks.

5. Another option for the funds authorized would be to use LTE's for the Reserve's property management responsibilities. However, this option would require the hiring and training of multiple LTE's since an LTE may only work a maximum of 1,040 hours per year (six months full-time). Training new LTE's as they are hired requires the time and efforts of other Kickapoo Reserve staff.

6. In calculating the amount of funding needed for a property manager position, the Reserve's request was based on comparable positions in the Department of Natural Resources, a park manager and an assistant park ranger for property management. These positions have a

starting salary of \$30,400 annually (park manager) and \$29,100 annually (park ranger). The park ranger position description consists of park maintenance and operational duties (including supervision of work crews), visitor contact and law enforcement duties of a medium-sized state forest or park. A park manager is a supervisor who plans, coordinates and manages maintenance, development, law enforcement, recreational and educational programs. Thus, the park ranger position appears a closer description of the proposed property manager's activities. Salary, fringe benefits and \$5,000 in supplies and services would total \$47,100 per year. Further, given that the property manager would likely not be hired before December, funding for this position in 2003-04 could be reduced by \$19,600 to \$27,500.

7. The bill also includes \$10,000 annually that the Reserve requested to provide the necessary match for environmental education grants. The Reserve has received grants to support environmental education classes primarily for middle and high school students from various entities since 2000-01. Grants for educational activities at the Reserve have totaled \$32,000 (\$20,000 in 2000-01, \$2,100 in 2001-02 and \$10,000 in 2002-03). The current grant is from the Paul E. Stry Foundation and reflects the Reserve's plan to begin offering classes to teachers on how to use the Reserve for educational purposes. The Paul E. Stry Foundation is a private, non-profit foundation based in La Crosse, Wisconsin, which provides financial support to projects that protect the environment and enhance environmental education efforts. As part of its application for the grant, the Reserve stated the grant would be matched with funding and in-kind services. Where a grant match has been required, the Reserve has been using funding from its supplies allocation from forestry account SEG. However, Reserve officials indicate this practice has reduced funding available for other park operations and maintenance.

8. The Reserve's request also included \$5,000 to contract for timber stand improvement. The Reserve indicates that if a full-time property manager position were approved, improvements could be overseen and performed by this person during 2003-05. Work would focus on the removal of invasive species and could be done in large part by volunteers and the Reserve's LTE's. The property manager would provide expertise in identifying the species to be removed, providing oversight of the work crews, and helping with the physical labor. Ongoing needs for timber stand improvement would be evaluated in future biennia.

9. The Reserve obtains revenues from customers for certain trail use, camping and special events (\$9,300 in 2001-02). Day use fees are \$3 per person (\$10 annually) or \$10 per family (\$25 annually) for hikers, bikers and horseback riders, and camping fees are \$10 per night. Hunters, fishers, canoeists and snowmobilers are exempt from day use fees (but not camping fees). In addition, the Reserve also collects revenues from agricultural lease payments (\$28,400 in 2001-02) and timber harvests (no revenue to date, but the Reserve is expecting to receive a payment of around \$35,000 in the fall of 2003 when its first timber harvest is completed). These revenues are primarily used to purchase grounds equipment and for the upkeep of trails. In 2001-02, \$44,700 PR (the previously mentioned revenues plus \$7,000 in revenue from copy fees, cost sharing from the Ho-Chunk Nation for brochure printing, sweatshirt sales, and revenue from the Reserve's winter festival) was collected from these sources and \$33,400 was expended. In the first eight months of 2002-03, \$26,300 has been collected. Although base expenditures from the Reserve's PR

continuing appropriation are expected to total \$35,000 annually in 2003-05, no base level expenditures are reflected in the bill. As a technical matter, \$35,000 PR annually should be shown.

10. The Reserve's PR account had a July 1, 2002, balance of \$39,400. Further, revenues are expected to increase with the completion of a new visitor's center. Thus, the argument could be made to fund a portion of the Reserve's operations costs from program revenues. One alternative would be to provide \$10,000 PR annually (a total of \$45,000 annually in PR expenditures) to allow the Reserve to meet its match requirements on grant funding. Others argue that these revenues should be reserved for equipment replacement, trail maintenance supplies and to be available for emergency repairs or projects. Another option would be for the Reserve to continue to meet its match requirements from existing SEG funds.

ALTERNATIVES

A. Property Management Funding

1. Approve the Governor's recommendation to provide \$45,500 SEG in 2003-04 and \$60,700 SEG in 2004-05 from the forestry account of the conservation fund to contract for property management expenses.

2. Delete the governor's recommendation. Rather, provide \$27,500 SEG in 2003-04 and \$47,100 SEG in 2004-05 for 1.0 property manager position from the forestry account. In addition, provide \$10,000 annually to match environmental education grants from:

a. Forestry account (SEG).

| <u>Alternative A2a</u> | <u>SEG</u> |
|---|------------|
| 2003-05 FUNDING (Change to Bill) | - \$11,600 |
| 2004-05 POSITIONS (Change to Bill) | 1.00 |

b. Program revenues collected by the Reserve from user fees, agricultural leases and timber harvests.

| <u>Alternative A2b</u> | <u>PR</u> | <u>SEG</u> | <u>TOTAL</u> |
|---|-----------|------------|--------------|
| 2003-05 FUNDING (Change to Bill) | \$20,000 | - \$31,600 | - \$11,600 |
| 2004-05 POSITIONS (Change to Bill) | 0.00 | 1.00 | 1.00 |

c. Provide no additional funding for the purpose of matching environmental education grants. (The Reserve could continue to match environmental education grants from base level SEG funds, as necessary.)

| <u>Alternative A2c</u> | <u>SEG</u> |
|------------------------------------|------------|
| 2003-05 FUNDING (Change to Bill) | - \$31,600 |
| 2004-05 POSITIONS (Change to Bill) | 1.00 |

3. Delete provision.

| <u>Alternative A3</u> | <u>SEG</u> |
|----------------------------------|-------------|
| 2003-05 FUNDING (Change to Bill) | - \$106,200 |

B. Base Level Program Revenue Expenditures

1. Include a technical correction to estimate Reserve base level PR expenditures at \$35,000 annually.

| <u>Alternative B1</u> | <u>PR</u> |
|----------------------------------|-----------|
| 2003-05 FUNDING (Change to Bill) | \$70,000 |

2. Maintain current law.

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