



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #523

Warden Radios (DNR -- Fish, Wildlife, and Recreation)

[LFB 2005-07 Budget Summary: Page 360, #14; and Page 371, #18]

CURRENT LAW

DNR is provided an account within the conservation fund for intradepartmental moneys received from the car, truck, airplane, heavy equipment, information technology, and radio pools for the operation, replacement, maintenance and purchase of vehicles, equipment, radio services, and information technology.

GOVERNOR

Provide \$72,600 in 2005-06 and \$145,200 in 2006-07 in one-time funding from the conservation fund, the environmental fund, and the recycling fund to support the first one and one-half years of a three-year master lease to purchase new radios for conservation wardens.

In addition, provide \$23,600 in 2005-06 (\$18,200 from the parks account and \$5,400 from the forestry account) and \$47,200 in 2006-07 (\$36,300 from the parks account and \$10,900 from the forestry account) on a one-time basis for a master lease for the replacement of radio equipment and associated radio infrastructure support costs in order to upgrade communication equipment available to state parks and southern forest law enforcement personnel. In total, \$96,200 in 2005-06 and \$192,400 in 2006-07 is provided under the bill.

DISCUSSION POINTS

1. Total costs to replace both mobile and portable radio units for 200 wardens are estimated at approximately \$632,800, based on figures available in April, 2005. These costs, which include interest, would be spread across five state fiscal years under a master lease, with a half payment made in 2005-06 (\$72,600), a full payment in each of 2006-07, 2007-08, and 2008-09

(\$145,200 each year), and a final payment in 2009-10 (\$124,600). The funding provided in this biennium would support the first two years of the master lease agreement for 200 mobile and 200 portable radios. Associated radio maintenance costs would be included in the master lease. The Department anticipates requesting additional funds in subsequent biennial budgets to maintain funding for the master lease through 2009-10.

2. The Department indicates that most of the radio equipment used by wardens is more than 10 years old and working well beyond the life expectancy of the equipment. As radio equipment allows wardens in the field to remain in contact with local and state patrol dispatchers and enforcement officers, DNR views this request as a safety issue.

3. In addition, \$23,600 in 2005-06 (\$18,200 from the parks account and \$5,400 from the forestry account) and \$47,200 in 2006-07 (\$36,300 from the parks account and \$10,900 from the forestry account) would be provided on a one-time basis to initiate a four-year master lease for the replacement of radio equipment and associated radio infrastructure support costs in order to upgrade communication equipment available to state parks and southern forest law enforcement personnel. Total costs to replace both mobile and portable radio units for parks and southern forest staff are estimated at approximately \$130,000, based on figures available in April, 2005. These costs would be spread across four state fiscal years under a master lease, with a half payment made in 2005-06 (\$23,600), a full payment in each of fiscal years 2006-07 and 2007-08 (\$47,200 each year), and a final payment in 2008-09 (\$12,000). The funding provided in this biennium would support the first two years of the master lease agreement for 169 mobile and 209 portable radios the program intends to purchase. Associated radio maintenance costs would be included in the master lease. The Department anticipates requesting additional funds in the 2007-09 biennial budget to complete funding for the master lease.

4. DNR maintains three "pool" accounts to fund certain major equipment costs of the agency through a charge-back system based on use of the equipment. The main source of revenue to DNR's radio pool account is a \$370 assessment per year, per radio. Current fees are set by DNR to cover maintenance and shared Department costs only; bureaus are required to fund purchases of new equipment with biennial budget requests. Prior to 1999, the fee varied from \$260 to \$530 per radio, depending on the type of equipment used. Decreasing the cost per radio reduced revenues by approximately one-half and generated savings of approximately \$229,100 to the various bureaus beginning in 1999, when the change was made.

5. While three DNR pool accounts are all contained within a single appropriation, DNR tracks the three pools separately: (a) a vehicle and heavy equipment pool; (b) an airplane pool; and (c) a radio pool. Under 1997 Act 27, DNR received the authority to use funds from the pool account for information technology expenditures. The Department used \$1.4 million of vehicle pool funds for this purpose. At the same time, DNR determined that because changing technology made it difficult to estimate radio replacement costs (and therefore, assess a suitable chargeback rate), that the radio pool would only provide maintenance and support. Subsequent purchases of radio equipment would need to be made through a biennial budget request. As a result of this change in DNR policy, rates charged per radio to support the pool were reduced. The Department directed

bureaus to use these "radio charge savings" to assist in funding the information technology purchases. In total, \$229,100 that would have otherwise been paid into the radio pool was used for information technology purchases in 1998-99. Beginning in 1999-00, savings from the radio pool charges were available for general expenditure by the bureaus.

6. Previous to DNR's decision to reduce chargeback rates to bureaus, radio equipment replacement was funded from the pool. The decision to discontinue this practice, and to use funds paid for radio replacement for information technology purchases or to effectively increase available bureau budgets could be viewed as counter to the legislative intent that established the pool program to include radio replacement. If the funding in the bill is not provided, the Department could again charge suitable chargeback rates to support the purchase of radio equipment from the pool account. However, DNR argues that any funding advantage that may have been realized in 1999 has since been exceeded by the budget reductions taken by the agency over the past three biennia.

7. Funding under the bill would be provided as follows:

	<u>2005-06</u>	<u>2006-07</u>
Conservation Fund		
Fish and Wildlife Account	\$55,500	\$111,100
ATV Account	3,700	7,400
Water Resources Account	900	1,800
Boat Account	8,100	16,200
Parks Account	18,200	36,300
Forestry Account	5,400	10,900
Environmental Fund	3,400	6,700
Recycling Fund	<u>1,000</u>	<u>2,000</u>
Total	\$96,200	\$192,400

8. Issues have been raised in previous papers over the condition of the fish and wildlife account of the conservation fund. An alternative to increasing revenues to the account is to reduce expenditures in order to maintain a positive balance. In addition to concerns over the available funding from the fish and wildlife account, it should be noted that the boat account, while maintaining a June 30, 2007, balance, could have a structural imbalance in the 2007-09 biennium. Further, the water resources account is anticipated to have commitments that exceed available revenues under the bill.

ALTERNATIVES

1. Adopt the Governor's recommendation to provide \$72,600 in 2005-06 and \$145,200 in 2006-07 in one-time funding from the conservation fund, the environmental fund, and the recycling fund to support the first two fiscal years of a master lease to purchase new radios for conservation wardens. Further, provide \$23,600 in 2005-06 (\$18,200 from the parks account and

\$5,400 from the forestry account) and \$47,200 in 2006-07 (\$36,300 from the parks account and \$10,900 from the forestry account) on a one-time basis for a master lease for the replacement of radio equipment and associated radio infrastructure support costs in order to upgrade communication equipment available to state parks and southern forest law enforcement personnel.

2. Adopt the Governor's recommendation. However, provide no funding from the boat or water resources accounts of the conservation fund. The provision would be funded at \$87,200 in 2005-06 and \$174,400 in 2006-07 from the recycling, environmental, and conservation funds (fish and wildlife, ATV, parks, and forestry accounts only).

<u>Alternative 2</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	- \$27,000

3. Maintain current law. (DNR could restore a chargeback system to fund radio acquisition and maintenance).

<u>Alternative 3</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	- \$288,600

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