



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #550

Aquatic Invasive Species (DNR -- Water Quality)

[LFB 2005-07 Budget Summary: Page 371, #1]

CURRENT LAW

The water resources account of the conservation fund (motorboat gas tax revenue) supports DNR staff who provide technical and educational assistance to local governments, including public inland lake rehabilitation districts and lake and river associations. In addition, funding is used to conduct diagnostic studies, support demonstration projects, and develop and distribute information on lakes and river management to lake districts and waterfront property owners. The water resources account also supports the recreational boating grants program.

Several exotic species, including Eurasian water milfoil, purple loosestrife, zebra mussels, carp, and rusty crayfish are already present in many inland Wisconsin waters. Invasive species that are currently present in the Great Lakes include spiny water flea, ruffe, round goby, and white perch.

GOVERNOR

Reduce funding available for recreational boating projects from the water resources account of the conservation fund by \$520,000 SEG in 2005-06 and by \$1,425,000 SEG in 2006-07. Provide this same amount for efforts related to the control of aquatic invasive species. Further, expand eligibility for funds set aside for aquatic invasive species grants to include nonprofit conservation organizations and qualified lake associations (organizations that currently participate in the lake protection grant program, and in aquatic invasive species management activities).

DISCUSSION POINTS

1. Of the funds provided under the bill, \$20,000 in 2005-06 and \$300,000 in 2006-07 would support additional DNR law enforcement efforts including boat patrol, boat inspections, and public education. Also, \$125,000 would be available in 2006-07 to support general program activities, including the development and distribution of educational materials, surveying for purple loosestrife and evaluating the effectiveness of biocontrol initiatives, conducting research on new invasive species, conducting citizen training of watercraft inspectors, and training citizen volunteers to conduct sampling efforts and input data into a central database.

2. Further, \$500,000 in 2005-06 and \$1,000,000 in 2006-07 would be provided to increase the funding available for lake protection grants for up to 50% of the costs of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings. Eligibility for participation in the aquatic invasive species grant program would be expanded under the bill to specifically include nonprofit conservation organizations and qualified lake associations (organizations that currently participate in the lake protection grant program, and in aquatic invasive species management activities).

3. The administrative rule establishing procedures for awarding cost-sharing grants for the invasive species control grant program (NR 198) became effective May 1, 2005. The rules create three categories of grants: (1) education, prevention, and planning; (2) controlling new or "pioneer" infestations; and (3) controlling established infestations. Education, prevention, and planning grants would support efforts to conduct educational programs, develop prevention and control plans, and to monitor waterbodies for the presence of aquatic invasive species. This would specifically include watercraft inspection projects following the guidelines of the Department's Clean Boats, Clean Waters initiative. Education projects are intended to broaden the public's awareness and understanding of aquatic invasive species and the threat that they pose to native ecosystems, as well as understanding of methods to prevent their spread and management practices used for their control. Grant applications for this category of activity may be submitted twice annually, in February and in August, with a maximum award of \$75,000. Watercraft inspection projects are limited to \$2,500 per public boat launch facility, but may be included in a larger grant as a portion of a broader project.

4. Unlike the education and planning grants, applications for grants to control new or pioneer infestations of invasive species may be submitted at any time. Under the rules, upon receiving a report of a new infestation, DNR will confirm the infestation, determine the appropriate method of control, and authorize the requesting sponsor to conduct the project. Grant applicants may receive reimbursement of 50% for up to \$10,000 of actual project costs. These grants are offered continuously throughout the year so new infestations may be addressed as they are discovered. In order to ensure that funding is available for these projects, a portion of available funding is reserved for this purpose during the growing season.

5. Finally, sponsors may apply for up to \$75,000 to conduct control projects that are included in an invasive species management plan approved by DNR. Experimental or

demonstration projects are eligible to facilitate the development of lasting control techniques. Projects funded through these types of grants are intended to provide for the eradication or substantial reduction of invasive species, with the goal of restoring native species. Activities not eligible for funding under this category include dredging, routine chemical treatments, mechanical harvesting of aquatic plants to provide seasonal nuisance relief, or the maintenance and operation of aeration systems to suppress aquatic plant growth.

6. The priorities of the invasive species grant program under NR 198 are to provide funding for projects that involve multiple waterbodies, prevent the spread of aquatic invasive species through education, planning, and monitoring, to control pioneer infestations, and to control established infestations in order to re-establish native aquatic communities. Local units of government receive first priority in the awarding of grant funding. The rules also specify that no more than one-half of the annually available funding be provided for projects within the waters of the Great Lakes. The rules direct department staff to consider the following factors when considering a project for grant funding: (a) the degree to which the project includes a prevention and control strategy; (b) the degree to which the project would prevent the spread of aquatic invasive species; (c) the degree to which the project protects or improves the aquatic ecosystem's diversity, ecological stability, or recreational use; (d) the extent of the infestation in the waterbody; (e) the degree to which the project would be likely to result in successful long term control; (f) the availability of public access to the waterbody; (g) the degree to which the proposed project compliments other management efforts; (h) community support and commitment (including past efforts to control invasive species); and (i) whether the sponsor has previously received a grant for a similar project for the same waterbody.

7. The administrative rule also specifies invasive species control grants may be awarded to entities that are eligible to apply for lake and river grants under current law. This includes lake associations, river management organizations, nonprofit conservation organizations, any unit of local government, tribes, and lake protection and rehabilitation districts. The program's authorizing language under 2003 Act 33 specifies that at least \$500,000 annually is to be made available to local units of government. However, authorizing language also directs DNR to establish a procedure to award cost sharing grants for projects related to aquatic invasive species "to public and private entities". The Department interpreted the statute to mean that funds should first be made available to local units of government, and then to other public and private organizations that were determined to be eligible to receive lake grants under current law. The majority of public comments received on the administrative rule supported this change. The bill would expand eligibility for the \$500,000 annual set-aside to include all groups that are currently eligible to receive lake grants (and thereby allow DNR to remove the preferential treatment of local units of government from the administrative rule in the future). Alternatively, if the intent was to ensure that local units of government received first priority for the \$500,000 in earmarked funding, current law could be maintained. Under current law DNR would be required to allot \$500,000 annually for local government units, with other entities funded from any remaining funds under the earmark or from remaining lake grant funding.

8. The lake protection grant program is currently funded from the water resources

account at \$3,175,400 annually, with at least \$500,000 of this amount to be made available in each year for grants related to aquatic invasive species. The bill would increase the total funding available for lake protection grants to \$3,675,400 in 2005-06 and to \$4,175,400 in 2006-07. However, no change would be made to the statutory requirement that DNR allocate at least \$500,000 annually for the control of aquatic invasive species under the bill; therefore, although the administration intends the additional resources to be used for invasive species grants, the additional funds could also be used for other lake-protection grant purposes. The Committee could choose to adjust the statutory language to reflect the intention of the Governor under the bill, and increase the amount that DNR is required to make available for grants related to aquatic invasive species to \$1 million in 2005-06 and \$1.5 million in 2006-07.

9. To date in 2004-05, DNR has awarded 37 grants (approximately 25 were to local governments and 12 to other entities) totaling approximately \$456,300 for projects relating to aquatic invasive species. Of the grants awarded, 18 grants totaling \$168,900 were awarded for education, prevention, and planning projects; 10 grants totaling \$227,600 were provided for efforts to control established infestations; one grant for \$9,400 was awarded for a research and demonstration project; and eight grants totaling \$50,400 were provided for early detection and rapid response projects.

10. The Department has expressed some concern at increasing the statutory earmark for invasive species work at this time. DNR indicates that, as is the frequently the case in new grant programs, there is some uncertainty as to whether there will be sufficient demand for the available grant funding. However, it would appear under the current language that if demand for invasive species grants is below the statutory figure (\$500,000 currently), the remainder would be available for other projects. Even so, the Committee could choose to maintain the designation for aquatic invasive species grants at its current level (\$500,000 annually), allowing DNR more flexibility in awarding lake grant funding to other projects. Alternatively, as funds for recreational boating projects were reduced in order to support the additional funding for aquatic invasive species grants, it could be argued that any of the additional grant funding not committed for this purpose should revert to increased expenditure authority for the recreational boating grant program, rather than be made available for general lake grants.

11. As previously noted, a portion of the request (\$20,000 in 2005-06 and \$300,000 in 2006-07) would support additional law enforcement efforts relating to invasive species control, including boat patrol, boat inspections, and public education. Further, \$125,000 under the bill would support general water program activities relating to invasive species, including producing educational materials, conducting research, and training volunteers.

12. Under the recreational boating program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, the Milwaukee River Revitalization Council, and the Lower Wisconsin State Riverway Board for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission (or up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR). Grants are

available for recreational boating projects that include providing public access (boat ramps and related parking facilities), navigational aids or markers, dredging, weed removal and capital equipment used for trash or debris removal. After the reduction to support the funding of the aquatic invasive species program, the recreational boating aids program would be funded at \$4,027,000 in 2005-06 and \$3,122,000 in 2006-07 (\$4,547,000 is appropriated in 2004-05).

13. It should be noted that under the bill, commitments from the water resources account of the conservation fund substantially exceed available funding. This imbalance is detailed in a separate budget paper. However, one option for partially addressing this issue would be to reduce expenditures from the account. Not adopting the increase under the bill for invasive species lake grants, water enforcement, research, and educational supplies would reduce expenditures by \$520,000 SEG in 2005-06 and by \$1,425,000 SEG in 2006-07. This would increase the available balance of the water resources account by \$1,945,000. If the Committee wished to increase support for the aquatic invasive species program under the lake grants program, an adjusted earmark of available funding under the program could be provided. Under current law, DNR is directed to make at least \$500,000 available annually for aquatic invasive species grants. The amount of the annual earmark could be increased without providing additional expenditure authority for lake grants. However, this would decrease available funding for other purposes under the program including projects to improve or protect the quality of water in lakes, flowages, or natural lake ecosystems. There is currently a substantial demand for funding under the program. In fiscal year 2003-04, DNR received grant requests totaling \$4.4 million for \$3.2 million of available lake grant funding. Another alternative would be to provide a more modest increase for invasives grants.

ALTERNATIVES

1. Adopt the Governor's recommendation to reduce funding available for recreational boating projects from the water resources account of the conservation fund by \$520,000 SEG in 2005-06 and by \$1,425,000 SEG in 2006-07, and provide this same amount for efforts related to the control of aquatic invasive species. Further, expand eligibility for participation in the aquatic invasive species grant program to include nonprofit conservation organizations and qualified lake associations (organizations that currently participate in the lake protection grant program, and in aquatic invasive species management activities).

2. Increase the earmark for aquatic invasive species grants to \$1 million in 2005-06 and \$1.5 million in 2006-07 to equal the amounts provided for this purpose under the bill. (This could also be done in addition to another alternative.)

3. Reduce funding available for recreational boating projects from the water resources account of the conservation fund by \$520,000 SEG in 2005-06 and by \$1,425,000 SEG in 2006-07. No additional expenditure authority to increase funding for lake grants, water enforcement, research, and educational supplies would be provided (the water resources account balance would be increased by almost \$2 million).

Alternative 3**SEG****2005-07 FUNDING** (Change to Bill)

- \$1,945,000

4. Reduce funding available for recreational boating projects from the water resources account of the conservation fund by \$520,000 SEG in 2005-06 and by \$1,425,000 SEG in 2006-07. Further, provide the following:

a. \$500,000 in 2005-06 and \$1,000,000 in 2006-07 to increase the funding available for lake protection grants and specify that at least \$1,000,000 in 2005-06 and \$1,500,000 beginning in 2006-07 be available for efforts related to the control of aquatic invasive species.

b. \$250,000 annually to increase funding for lake grants and specify that at least \$750,000 be made available annually for efforts related to the control of aquatic invasive species.

c. Expand the eligibility for participation in the aquatic invasive species grant program to include nonprofit conservation organizations and qualified lake associations (organizations that currently participate in the lake protection grant program, and in aquatic invasive species management activities).

d. Specify that any funding earmarked but not provided for aquatic invasive species grants during a fiscal year be provided as increased expenditure authority under the recreational boating aids grant program in the subsequent year.

e. \$20,000 in 2005-06 and \$300,000 in 2006-07 to support additional law enforcement efforts relating to invasive species control, including boat patrol, boat inspections, and public education.

f. \$125,000 in 2006-07 for supplies and services to support general water program activities relating to invasive species, such as the development and distribution of educational materials, evaluating the effectiveness of biocontrol initiatives, conducting research on new invasive species, and training volunteers to assist in watercraft inspection and to conduct sampling efforts.

[The difference between the amount provided for any of the above items and the amount reduced from funding available for recreational boating projects would increase the anticipated water resources account balance.]

5. Maintain current law. (Recreational boating grants would be funded at \$4,547,000 annually and lake protection grants would be funded at \$3,175,400 annually with \$500,000 available for grants to address aquatic invasive species.)

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