



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 #556

Stewardship Earmark for Boat Access on Mirror Lake (DNR -- Stewardship Program)

Bill Agency

[LFB 2007-09 Budget Summary: Page 406, #2]

CURRENT LAW

Under the Stewardship program, the state is authorized to issue bonds for the purpose of (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas, (b) developing facilities on state lands, and (c) providing grants to local governments and non-profit conservation organizations (NCOs) for up to 50% of the cost of acquiring or developing lands for nature-based outdoor recreation. The program is currently allocated general obligation bonding authority of \$60 million annually.

GOVERNOR

Direct the Department of Natural Resources (DNR) to expend up to \$1,000,000 of the bonding authority under the Warren Knowles-Gaylord Nelson Stewardship 2000 program for efforts to improve navigability for recreational boating in Mirror Lake in Sauk County and in the streams flowing into the lake. The bill would authorize the Department to expend bonding authority from either the land acquisition, or the property development and local assistance subprogram.

DISCUSSION POINTS

1. The Department of Administration (DOA) and DNR indicate that the funding would likely be used to provide a grant to the Mirror Lake Management District; however, the bill does not specify the recipient of the funding. Therefore, the Town of Delton or DNR could potentially

conduct the project. The project would consist of dredging along approximately four acres in Mirror Lake and a tributary stream near a Town of Delton boat access site, and dredging to increase the depth of several canals from two feet to 10 feet. The project would also include construction of a 400 square foot by 10 foot deep sediment trap. The estimated cost is approximately \$980,000. DNR has agreed to allow the funding recipient to pump or deposit the dredged material onto a designated portion of the adjacent Mirror Lake State Park, thereby avoiding the cost of trucking the material to a landfill or other disposal site.

2. As the Mirror Lake project would not involve the acquisition of land, the project would not be eligible under the stewardship land acquisition subprogram. DNR stewardship grant officials indicate that dredging would be an eligible activity if it were done as part of a larger rehabilitation project such as the reconstruction of a marsh. Dredging solely for boat access would be unlikely to be funded through a stewardship property development project or local assistance grant. However, in the past, statutory earmarks have been included for certain projects that may not have been otherwise eligible for stewardship funding.

3. Most recently, the 2001-03 budget included the following statutory stewardship earmarks:

<u>Project</u>	<u>Location</u>	<u>Amount</u>
Milwaukee Lakeshore State Park Development	Milwaukee	\$3,000,000
Kickapoo Valley Visitor Center Construction	La Farge	2,370,000
State Fair Park Exposition Center	West Allis	2,000,000
Rib Mountain State Park ski chalet	Wausau	1,000,000
Wisconsin Agricultural Stewardship Initiative	UW-Platteville	1,000,000
Prairie River restoration	Merrill	450,000
Root River Parkway	Racine	<u>375,000</u>
Total		\$10,195,000

4. While DNR staff indicate that the Mirror Lake boat access project would be unlikely to be eligible for stewardship funding, they indicate that it could be eligible for a grant under the recreational boating projects program. Under the recreational boating aids program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, and qualified lake associations for up to 50% (or more under certain specified circumstances) of the costs of developing recreational boating facilities approved by the Waterways Commission. The program is funded at \$3.1 million annually from the water resources account (motorboat gas tax) of the conservation fund. 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. Although the Mirror Lake project has not been submitted, DNR staff indicate the Waterways Commission may be reluctant to fund a \$1 million dredging project because of high demand for recreational boating grants and limited available funding. However, past budgets have also earmarked funding from the recreational boating grant program. Recreational boating grant program

earmarks have provided funding for projects varying from dam repair and removal projects such as the Chair Factory Dam in Grafton, to the development of Milwaukee Lakeshore State Park. In addition, funding was earmarked for an endowment to operate and maintain a historic property along Lake Geneva, referred to as Blackpoint Estate, by a non-profit conservation organization. The Committee could consider providing up to \$1 million from the recreational boating aids program for the boat access project in Mirror Lake.

5. It should be noted that providing a statutory earmark from an existing program would mean the earmarked project would be funded in place of one or more projects that would otherwise receive funding under the competitive grant programs. Typically, grant requests substantially exceed available funds. Further, no stewardship funds have been earmarked during the last two biennial budgets. Creating an earmark for the Mirror Lake project may result in other project sponsors seeking preferential funding treatment in the current budget bill or future legislation.

6. The bill would not require a local match. Under the stewardship program local assistance grants may not exceed 50% of project of costs. Statutory earmarks in the past have sometimes included a match requirement. For example the \$375,000 earmarked for the Root River Pathway in the 2001-03 budget required an equal match from the City of Racine, while the Prairie River restoration funding did not require a City of Merrill match. If the earmark is included, the Committee could consider requiring a local match of 50% of project costs (\$1 match for each state dollar) or 25% (\$1 match for every three state dollars).

ALTERNATIVES TO BILL

1. Adopt the Governor's recommendation to direct DNR to expend up to \$1,000,000 of the bonding authority under the Warren Knowles-Gaylord Nelson Stewardship 2000 program for efforts to improve navigability for recreational boating in Mirror Lake in Sauk County and in the streams flowing into the lake.

2. Specify that DNR may make a Stewardship grant for one of the following amounts for the Mirror Lake project:

- a. up to \$500,000 with the local sponsor providing an equal match.
- b. up to \$750,000 with the local sponsor providing \$1 for each \$3 in state funding.

3. Adopt Alternative 1 or 2, but designate the funding be from recreational boating project aids (rather than Stewardship). Specify that funding be earmarked for the project before percentages are applied to determine funding levels for inland waters and Great Lakes projects.

4. Delete provision.

Prepared by: Erin Rushmer