

Natural Resources

Fish and Wildlife

(LFB Budget Summary Document: Page 429)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
-	Fish and Wildlife Account Condition (Paper #450)
1	Deer Carcass Disposal Grants (Paper #451)
2	Waterfowl Stamp Increase (Paper #452)
3 & 4	Pierce County Islands Wildlife Area Restoration and Sheboygan Marsh Dam (Paper #453)
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LFB Summary Items Removed From Budget Consideration

<u>Item #</u>	<u>Title</u>
7	Resident Hunting and Fishing Identification



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June, 2021

Joint Committee on Finance

Paper #450

Fish and Wildlife Account Condition (Natural Resources -- Fish and Wildlife)

CURRENT LAW

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). The conservation fund is divided into several accounts, including the fish and wildlife account. The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. The account supports the fish and wildlife management functions of the Department.

DISCUSSION POINTS

Account Revenues

1. Deer hunting licenses are a primary source of revenue to the fish and wildlife account. These licenses primarily include gun deer licenses and archery licenses issued to residents, nonresidents, and youths. In fiscal year 2019-20, 360,629 resident gun deer licenses were sold, raising \$8,655,100 for the Department. In 2019-20, 25,394 nonresident gun deer licenses were sold, raising \$4,063,100. In fiscal year 2019-20, resident and nonresident deer gun licenses combined accounted for 17.4% of revenue to the fish and wildlife account.

2. In addition to licenses purchased primarily for recreational fish and game activities, several types of licenses are required for specialized commercial fish and game activities. Other revenues to the account include stumpage revenues from timber sales on state habitat and wildlife areas, fees paid for hunter education and safety programming, an annual \$3 million transfer of tribal gaming revenue, and penalties and assessments for violating fish and game laws.

3. In recent years, revenues from hunting and fishing licenses have declined. Fish and wildlife account revenues have regularly been less than authorized expenditures for the account. In 2019-20, expenditures from the account exceeded revenues by \$1.3 million, and stagnant or declining revenues continue to be a concern. However, the account maintains an available balance of \$25.3 million as of June 30, 2020. Further, several license sales increased through 2020 during the COVID-19 pandemic, as many sought outdoor recreational activities while indoor activities and other gatherings were restricted. The attachment shows the estimated account condition through June 30, 2023, under Committee action to date.

Account Expenditures

4. The Bureau of Wildlife Management works to protect and manage the wildlife populations and habitats of the state and promotes wildlife appreciation and recreational opportunities. Wildlife biologists and technicians manage and regulate various species, including deer, bear, geese, turkey, and waterfowl. Wildlife personnel also assist in the management of wildlife on private lands and take part in wildlife-related educational efforts.

5. The Bureau of Fisheries Management undertakes various activities related to monitoring, maintaining and enhancing aquatic ecosystems and sport and commercial fisheries. Fisheries population and habitat surveys are conducted to monitor the status and health of the state's fisheries and aquatic habitat, and to evaluate regulation effectiveness and needs. In addition, DNR is responsible for Great Lakes fish management activities in Wisconsin waters of Lake Michigan and Lake Superior.

6. DNR's Bureau of Law Enforcement (BLE) is responsible for the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles, environmental protection, water regulation, and shoreland zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation. Enforcement activities include enforcement of hunting and fishing regulations, commercial fish and game activities, and treaty enforcement issues.

Prepared by: Eric R. Hepler
Attachment

ATTACHMENT

Fish and Wildlife Account Condition

	2019-20 <u>Actual</u>	2020-21 <u>Budgeted</u>	2021-22 <u>Base Plus JFC</u>	2022-23 <u>Base Plus JFC</u>	2020-21 <u>Staff</u>
Opening Balance	\$46,732,500	\$45,477,300	\$43,567,100	\$37,450,500	
Revenue					
Hunting Permits	\$28,476,200	\$28,718,000	\$28,600,000	\$28,600,000	
Fishing Permits	28,194,200	23,752,300	24,500,000	24,500,000	
Other Permits	11,798,700	14,127,000	13,000,000	13,000,000	
All Other Revenue	9,436,100	8,402,700	8,900,000	8,900,000	
Total Revenue	<u>\$77,905,200</u>	<u>\$75,000,000</u>	<u>\$75,000,000</u>	<u>\$75,000,000</u>	-
Available Balance	\$124,637,700	\$120,477,300	\$118,567,100	\$112,450,500	-
Expenditures					
Fish Management	\$15,919,200	\$15,919,600	\$16,671,700	\$16,671,700	157.39
Wildlife Management	12,252,500	12,041,600	12,268,500	12,268,500	109.07
Fish and Wildlife Grants and Aids	433,300	488,300	488,300	488,300	-
Wildlife Control and Abatement	2,839,600	3,264,900	3,283,200	3,283,200	2.00
Stamp Funded Programs	4,832,000	5,275,600	5,307,600	5,307,600	14.59
Go Wild Contract fees	2,420,200	2,863,100	2,863,100	2,863,100	
Other	86,900	81,000	75,900	48,200	-
Subtotal	<u>\$38,783,700</u>	<u>\$39,934,100</u>	<u>\$40,958,300</u>	<u>\$40,930,600</u>	283.05
<i>Split-Funded Appropriations</i>					
Internal Services	\$5,843,700	\$5,868,900	\$6,096,600	\$6,096,600	38.40
External Services	3,399,200	3,700,300	3,833,100	3,833,100	33.61
Division Management	5,805,900	6,500,900	7,014,900	7,014,900	56.95
Law Enforcement and Safety	18,539,200	18,077,000	18,429,600	18,429,600	135.23
Aids in Lieu of Taxes	594,500	594,500	594,500	594,500	-
Debt Service, Maintenance, Development, and Assessments	5,216,400	2,082,000	4,037,100	4,269,400	-
Handling Fees	977,800	152,500	152,500	152,500	-
Subtotal	<u>\$40,376,700</u>	<u>\$36,976,100</u>	<u>\$40,158,300</u>	<u>\$40,390,600</u>	264.19
Total Expenditures	\$79,160,400	\$76,910,200	\$81,116,600	\$81,321,200	547.24
Closing Cash Balance	\$45,477,300	\$43,567,100	\$37,450,500	\$31,129,300	
Encumbrances and Continuing Balances	\$20,185,600	\$20,185,600	\$20,185,600	\$20,185,600	
Available Balance	\$25,291,700	\$23,381,500	\$17,264,900	\$10,943,700	



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June, 2021

Joint Committee on Finance

Paper #451

Deer Carcass Disposal Grants (Natural Resources -- Fish and Wildlife)

[LFB 2021-23 Budget Summary: Page 429, #1]

CURRENT LAW

Chronic wasting disease (CWD) is a fatal neurological disease in cervids such as deer and elk. The disease was first discovered in Wisconsin deer in 2002. The disease is communicable through deformed prions that can pass to other cervids through saliva, urine, or blood. Prions shed by infected animals also are thought to persist in soils, although infectivity and the length of prion viability is still being researched. State management of CWD includes collecting and testing tissue from harvested deer, public outreach to inform the public about CWD, CWD research, deer and elk farm inspection, and carcass disposal.

DISCUSSION POINTS

1. CWD is a chronic disease that causes a cervid's brain to degenerate. Affected animals behave abnormally, eating and drinking irregularly. As the animal's brain deteriorates, the animal can lose control of bodily functions. CWD-affected deer are thought to be more vulnerable to predation and other non-natural causes of death like car collisions. Since CWD-affected deer have a higher propensity for mortality, the disease can have population-level impacts. Models of white-tail deer mortality in CWD-endemic deer herds suggest that herd population may decline by 10% annually.

2. The DNR CWD response plan has six key objectives including: (a) prevention of new CWD introductions; (b) monitoring for and responding to new CWD foci; (c) controlling CWD distribution and intensity; (d) increasing public recognition and understanding of CWD risks and public participation in disease control; (e) addressing the needs of DNR customers; and (f) enhancing scientific information about CWD.

3. After deer hunters take a deer, they often field dress their deer, leaving the entrails on

the ground to decompose. If the harvested deer had CWD, prions can leach into the ground from the carcass's blood or other fluids. These prions can remain in the ground for an unknown length of time and can be transmitted to other deer. To reduce CWD transmission, DNR encourages hunters to dispose of deer carcasses in a designated receptacle in CWD-endemic areas, rather than leave the carcass on the landscape.

4. During deer hunting season, DNR administers the Adopt-a-Dumpster (AAD) program, where local governments and conservation groups can sponsor a portion of the cost of contracting with a waste management company to collect and haul deer carcasses. DNR began the Adopt-a-Dumpster program in the autumn 2018 deer hunting season.

5. Beginning in the autumn 2019 deer season, DNR began providing AAD participants up to half the cost of contracting for containers, with a maximum cost-share of \$500 per participant. Participants agree to host a receptacle placed near hunting areas where hunters may dispose of deer carcasses to prevent exposure to prions. Hosts contract with waste disposal companies to dispose of the carcasses. In addition to the AAD program, DNR contracts for deer carcass receptacles on some Department properties. The following table shows the number of participants, as well as DNR expenditures related to the AAD program.

Adopt-a-Dumpster Participation

<u>Fiscal Year</u>	<u>Participants</u>	<u>Cost-Share Participants</u>	<u>DNR Expense</u>
2018-19	16	-	-
2019-20	61	38	\$13,000
2020-21*	55	49	12,200

*Preliminary

6. DNR reports that the Department expended \$73,400 for deer carcass disposal in 2019-20. This amount includes the \$13,000 shown in the table for the Department's share for the program, as well as approximately \$32,000 for carcass disposal from DNR properties and CWD testing sites, \$22,400 for salaries and fringe benefits associated with managing deer carcass disposal, as \$6,000 in additional associated costs such as travel and supplies. Department-hosted containers cost between \$100 and \$2,000.

7. AB 68/SB 111 would provide DNR with one-time funding of \$1,000,000 fish and wildlife SEG in 2021-22 in a continuing appropriation to provide grants to local governments, businesses, or nonprofit conservation organizations for the acquisition of receptacles for the disposal of deer carcasses. Currently, DNR operates the AAD program under the Department's broad authority to manage wildlife in the state. The Committee could consider creating an Adopt-a-Dumpster program, authorizing DNR to award grants to state agencies, local and tribal governments, NCOs and businesses for up half the cost of contracting with waste disposal companies to host and haul deer carcass disposal sites [Alternative A1].

8. DNR indicates that the one-time \$1,000,000 proposed in AB 68/SB 111 would provide funds for DNR carcass disposal as well as the Department's share of the AAD program for several years. Based on the Department's cost of \$73,400 in 2019-20, one-time funding of \$1,000,000 would fund deer carcass disposal programs for 13 years. The Committee could consider providing \$1,000,000 as one-time funding to fund the AAD program [Alternative 1a].

9. It should be noted that one-time funding typically is used for one-time projects, rather than ongoing expenses, providing grants, or salaries and fringe benefits. However, the AAD program has only been operational for three hunting seasons and DNR has only supported a cost-share for two seasons. It is difficult to project demand for the program. The Committee could consider providing \$75,000 as one-time funding in each year of the 2021-23 biennium to fund a two-year pilot program for deer carcass disposal [Alternative 1b]. During the 2022 fall deer hunting season (in fiscal year 2022-23), DNR would have four years of data to project program demand and request long-term funding for the program.

10. CWD is a long-term problem. Research has shown that CWD prions can last in the ground for years. Given the urgency of the issue, it could be argued that it is important to provide funding for a long-term program. This would provide stability to allow businesses, NCOs and local governments to plan to host waste containers annually during deer hunting seasons. The Committee could provide \$75,000 annually to fund the Department's share of the AAD program [Alternative 1c]. As shown above, DNR paid \$13,000 in 2019-20 for the program. However, since demand is uncertain, providing additional funding would allow the program to expand to provide funding to more participants.

11. As noted above, DNR paid \$22,400 in salaries and fringe benefits for personnel costs related to deer carcass disposal in 2019-20. If the Committee creates a long-term program, DNR would likely need to manage grants and deer carcass disposal programming. Additionally, DNR staff would likely need to inspect disposal sites to ensure grant compliance. In addition to creating a dedicated deer carcass disposal grant, consideration could be given to providing \$25,000 for limited-term employee (LTE) salaries and fringe benefits to manage the program [Alternative 2].

12. In addition to appropriating one-time funding for the deer carcass disposal program, AB 68/SB 111 would provide \$50,000 SEG from the fish and wildlife account annually for public outreach related to CWD. Currently, DNR conducts public outreach to inform hunters about how and where to test harvested deer for CWD and where to dispose of deer carcasses. DNR advertises in newspapers, on the radio, and social media and translates public outreach into Spanish and Hmong. Between 2015-16 and 2019-20, DNR paid expended approximately \$41,100 on CWD outreach, on average, each year.

13. Despite current advertising, an October, 2019, Marquette University Law School Poll found that most hunters and other members of the public were misinformed on basic facts about CWD, including the extent to which the disease is expanding in the state. Given the additional need to inform the public, the Committee could consider providing DNR \$50,000 in additional expenditure authority from the fish and wildlife account for public outreach [Alternative 3]. DNR reports that funding would be used to purchase television advertisements and to better target the Department's media strategy.

14. As DNR currently operates the AAD program, it could be argued that creating a statutory grant program is unnecessary. A portion of DNR expenditures in the table above are made from a dedicated appropriation [s. 20.370(1)(hx) of the statutes] funded from \$5 of each bonus harvest authorizations in CWD areas. The appropriation had a June 30, 2020, balance of \$1.4 million. Under current law, DNR may expend from the appropriation all monies received for the management of, and testing for, chronic wasting disease. Additionally, DNR currently spends between \$33,000 and \$60,000 each year on CWD public outreach, as well as certain amounts on staffing, using existing expenditure authority. It could be argued that this is sufficient funding and that DNR can continue to allocate staffing, cost-sharing, and targeted advertising without additional funding. Under this perspective, the Committee could take no action [Alternative 4].

ALTERNATIVES

Deer Carcass Disposal Grants

1. Create a program administered by DNR to provide up grants to state agencies, local and tribal governments, NCOs, and businesses for to half the cost of contracting with waste disposal companies to host and haul deer carcass dumpsters. Authorize DNR to use emergency rules to develop application and administrative procedures for the program. Further, provide funding of one of the following:

a. \$1,000,000 in 2021-22 as one-time funding from the fish and wildlife account of the SEG conservation fund;

ALT 1a	Change to Base
SEG	\$1,000,000

b. \$75,000 as one-time funding from the fish and wildlife account of the SEG conservation fund in each year of the 2021-23 biennium;

ALT 1b	Change to Base
SEG	\$150,000

c. \$75,000 annually from the fish and wildlife account of the SEG conservation fund to provide ongoing funding for the deer carcass disposal grant program.

ALT 1c	Change to Base
SEG	\$150,000

2. Provide \$25,000 annually from the fish and wildlife account of the SEG conservation fund to provide funding for limited-term employee salaries and fringe benefits to administer and operate the deer carcass disposal program. (This could be selected independently or in addition to

Alternatives 1 or 3.)

ALT 2	Change to Base
SEG	\$50,000

3. Provide \$50,000 annually from the fish and wildlife account of the SEG conservation fund for public outreach and marketing related to CWD. (This alternative could be selected independently or in addition to any of Alternatives 1 or 2.)

ALT 3	Change to Base
SEG	\$100,000

4. Take no action. (No Adopt-a-Dumpster program would be created in statute. DNR could continue to fund such costs under current authority.)

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June, 2021

Joint Committee on Finance

Paper #452

Waterfowl Stamp Increase (Natural Resources -- Fish and Wildlife)

[LFB 2021-23 Budget Summary: Page 429, #2]

CURRENT LAW

The waterfowl stamp is required of any person at least 16 years old who must purchase a state license to hunt waterfowl. Two-thirds of stamp revenues are to be used for managing, preserving, or restoring wetland habitat and for producing waterfowl and related species. These funds may be awarded to DNR or to other cooperating entities. Priority is given to projects including nesting habitat restoration, wetland hydrology enhancements, or major wetland management and maintenance.

The remaining one-third is to be used to develop propagation areas in Canada to support bird populations through the state and the Mississippi River Flyway. Funds for propagation areas are provided only to nonprofit conservation organizations through a separate aids appropriation.

DISCUSSION POINTS

1. According to the Audubon Society, approximately 325 species of bird migrate annually from breeding grounds in Canada to wintering grounds along the Gulf of Mexico, passing over and stopping in 14 U.S. states that constitute the Mississippi River Flyway: Alabama, Arkansas, Indiana, Illinois, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Ohio, Tennessee, and Wisconsin. To protect these birds, the United States and Canada signed the Migratory Bird Treaty of 1918. In 1929, Congress enacted the Migratory Bird Conservation Act to protect wetland habitat areas that these birds relied on. In 1934, the Migratory Bird Hunting Stamp Act created a dedicated funding source to protect wetland habitat, paid for by the hunters who pursue these birds. Revenues from the federal duck stamp support the acquisition and lease of wetland habitat areas and federal wildlife refuges.

2. Today, all 14 states in the Mississippi River Flyway require waterfowl hunters to purchase a dedicated state-issued duck stamp or other authorization in addition to a hunting or small game licenses. Chapter 376, Laws of 1977 established the state waterfowl stamp in Wisconsin. When the Wisconsin waterfowl stamp was created, both the resident small game hunting license and the federal duck stamp cost \$5 each. With the \$3 fee for the state waterfowl stamp, the cost of waterfowl hunting in Wisconsin was \$13.

3. Under current law, a Wisconsin resident must purchase the \$18 small game license, the \$7 Wisconsin waterfowl stamp, and the \$25 federal waterfowl stamp, for a total cost of \$50. Table 1 shows the combined price of waterfowl hunting in each of the Mississippi River Flyway states. Each state requires hunters to purchase a base hunting license in addition to the waterfowl authorization. The table includes the minimum annual license required of both resident and nonresident waterfowl hunters. Additionally, the total cost shown in the table includes the \$25 federal waterfowl stamp, which is required of all waterfowl hunters nationwide. As shown in the table, the price of waterfowl hunting in Wisconsin ranks low among states in the Mississippi River Flyway. Wisconsin's \$50 combined resident fee is the sixth lowest among the 14 states. Wisconsin's \$117 combined nonresident fee is the third lowest in the flyway.

TABLE 1
Cost of Waterfowl Hunting Authorizations, by State

State	Resident			Nonresident		
	Base License	Waterfowl Authorization	Total Price	Base License	Waterfowl Authorization	Total Price
Alabama	\$18.70	\$11.00	\$54.70	\$106.40	\$11.00	\$142.40
Arkansas	10.50	7.00	42.50	110.00	35.00	170.00
Indiana	17.00	6.75	48.75	80.00	6.75	111.75
Illinois	12.50	15.50	53.00	57.75	15.50	98.25
Iowa	22.00	11.50	58.50	144.00	11.50	180.50
Kentucky	27.00	15.00	67.00	150.00	15.00	190.00
Louisiana	15.00	5.50	45.50	150.00	25.00	200.00
Michigan	11.00	12.00	48.00	151.00	12.00	188.00
Minnesota ¹	22.00	7.50	54.50	102.00	7.50	134.50
Mississippi ²		37.29	62.29		118.29	143.29
Missouri	10.00	6.00	41.00	94.00	6.00	125.00
Ohio	19.00	15.00	59.00	125.00	15.00	165.00
Tennessee ³	34.00	40.00	99.00	111.00	40.00	176.00
Wisconsin	18.00	7.00	50.00	85.00	7.00	117.00

¹ Minnesota hunters have the option of purchasing the \$7.50 electronic duck stamp or the \$8.25 physical duck stamp.

² Mississippi sells an all-in-one waterfowl hunting package, which reduces the cost to hunters relative to purchasing a small game licenses and waterfowl authorization. The package does not include the federal duck stamp.

³ The Tennessee \$40 waterfowl authorization includes a \$38 supplemental waterfowl hunting license and a \$2 Tennessee waterfowl stamp.

4. Assembly Bill 68/Senate Bill 111 would increase the price of the waterfowl stamp by \$5, from \$7 to \$12. (A 25¢ issuing fee is included in that price.) This would increase the combined resident fee to \$55 and the combined nonresident fee to \$122. In license year 2020 (February 2020 through January 2021), waterfowl stamps raised \$556,900 in revenue, including \$172,600 from conservation patrons. Table 2 shows the number of waterfowl stamps sold and revenues raised since license year 2016. As shown in the table, stamp sales generally declined from 2016 to 2019. In 2020, waterfowl stamp sales increased to their highest level in recent years. This is likely attributable at least in part to the COVID-19 pandemic, which spurred an increase in outdoor recreation.

TABLE 2

Waterfowl Stamp Sales

<u>License Year</u>	<u>Stamps Sold</u>	<u>Stamp Revenue</u>	<u>Conservation Patron Revenue</u>	<u>Total Revenue</u>
2016	53,061	\$358,200	\$156,100	\$514,300
2017	52,591	355,000	161,300	516,300
2018	49,471	333,900	163,000	496,900
2019	50,066	337,900	162,400	500,300
2020	56,936	384,300	172,600	556,900
Average	52,425	\$353,860	\$163,080	\$516,940

5. Despite a recent increase in waterfowl hunting in Wisconsin, the decline in waterfowl hunting is a regional and nationwide issue. According to the U.S. Fish and Wildlife Service 2020 Waterfowl Harvest and Population Survey Data, 11 of the 14 Mississippi River Flyway states, including Wisconsin, had fewer active duck hunters as measured by five-year averages from 1999 through 2019.

6. As the number of waterfowl hunters and stamp revenue has declined, Ducks Unlimited reports that the need for waterfowl conservation projects has grown. As the climate across the Mississippi River Flyway warms, overwinter grounds and breeding grounds have begun to shift north. Wildlife managers and hunting and conservation organizations argue protecting and conserving propagation areas and habitat areas are necessary for waterfowl to survive the annual migration over the Mississippi River Flyway. Increasing the waterfowl stamp fee would be anticipated to increase revenue for waterfowl habitat conservation, but by shifting more of this cost onto a declining number of hunters.

7. Typically, as a product's price increases, sales for that product decline. As noted above, the number of waterfowl stamps sold in recent years has generally declined. It could be argued that increasing the price of the waterfowl stamp would hasten the decline in sales. However, the \$5 increase is modest compared to the overall cost of waterfowl hunting in Wisconsin (\$50 for residents, \$117 for nonresidents). Additionally, the cost of waterfowl authorizations is only a portion of the cost of waterfowl hunting. Waterfowl hunting equipment, including waders and other protective clothing,

firearms, and ammunition are costly purchases. Under this perspective, it could be argued that a \$5 increase is unlikely to affect the number of waterfowl stamps sold.

8. Revenues from the state waterfowl stamp are divided between two continuing appropriations. Two-thirds (67%) of revenues fund DNR wetland conservation efforts and the remaining one-third (33%) of stamp revenues fund the development of propagation areas in Canada that support migratory bird populations. Table 3 shows the condition of the appropriations, including stamp revenues and expenditures since fiscal year 2017-18. The table shows actual expenditures from each appropriation. However, it should be noted that many of the projects funded by waterfowl stamp revenues are long-term projects. DNR typically allocates funding for a project and expends those funds only after project goals are completed.

TABLE 3

Waterfowl Stamp Appropriation Condition

	Wetlands Habitat <u>Restoration</u>	Waterfowl Propagation <u>(Canada)</u>
2017-18		
Opening Balance	\$589,000	\$173,700
Revenue	347,900	173,400
Expenditures	227,300	173,700
2018-19		
Opening Balance	\$709,600	\$173,400
Revenue	339,100	167,000
Expenditures	268,500	171,400
2019-20		
Opening Balance	\$780,200	\$169,000
Revenue	356,200	175,400
Expenditures	262,600	167,000
2020-21		
Opening Balance	\$873,800	\$177,400
Estimated Revenue	354,000	174,000
Budgeted Expenditures	<u>357,600</u>	<u>167,500</u>
Balance -- June 30, 2021	\$870,200	\$183,900

9. Under s. 29.191(1)(b) of the statutes, 33% of waterfowl stamp revenues are provided as aids to nonprofit conservation organizations (NCOs) for propagation areas in Canada. In recent years, DNR has provided waterfowl stamp revenues to Ducks Unlimited, which has used funding to acquire properties, easements and leases in Manitoba and Saskatchewan to protect nesting areas. According to Ducks Unlimited, over one-third of all banded waterfowl harvested in Wisconsin between 1986 and 2019 came from these two provinces. Including an additional 18% of birds from Ontario, over

half of all waterfowl hunted in Wisconsin propagate in Canada.

10. The remaining 67% of waterfowl stamp funds are to be used by DNR for "developing, managing, preserving, restoring and maintaining wetland habitat and for producing waterfowl and ecologically related species of wildlife." In recent years, DNR has used waterfowl stamp funds to repair dikes, control beaver dams, install dams, pumps, and other mechanisms to control water levels, and to restore wetland areas on state and private lands. These projects protect ducks and other migratory waterfowl by providing nesting areas for waterfowl. These projects have the added benefit of improving hunting grounds for waterfowl hunters. Wetlands are also generally thought to have benefits to their watershed, including mitigating flooding, limiting excessive runoff, protecting shoreline, and improving water quality.

11. While Table 3 shows an estimated June 30, 2021, habitat restoration balance of over \$870,000, DNR reports that all continuing amounts have been committed to projects. As waterfowl stamp revenues are deposited in continuing appropriations, DNR has flexibility to develop work plans for funds over multiple years. The Department indicates that it develops and plans several wetland improvement projects at a time. Waterfowl stamp funding is committed to these projects based on a project's relative prioritization and the actual amount of revenues received to the appropriation.

12. DNR reports that approximately \$520,000 in habitat improvement projects are unfunded. The Department will commit funding to these projects as actual revenues accrue to the waterfowl habitat improvement appropriation. Under current revenue projections, DNR estimates that these projects will need to be delayed beyond the 2023-24 fiscal year. The \$5 fee increase included in AB 68/SB 111 is estimated to increase waterfowl stamp revenues by between \$247,000 and \$285,000 annually. These amounts would be split, with between \$165,700 and \$190,700 funding habitat work in Wisconsin and between \$81,600 and \$93,900 funding propagation work in Canada.

13. Given the demonstrated need for additional revenues as well as the long-term trend of declining participation in waterfowl hunting, the Committee could consider providing a stamp fee increase. An increase of \$7, from \$7 under current law to \$14, would set the total cost of waterfowl hunting for Wisconsin residents at \$57 [Alternative A1], and would raise an estimated \$390,000 in additional revenue annually. These revenues would be split between habitat conservation in Wisconsin (\$260,000) and grants for propagation areas in Canada (\$130,000).

14. The Committee could also consider other fee increases. AB 68/SB 111 would raise waterfowl stamp fees by \$5, from \$7 to \$12, setting the total cost of waterfowl hunting for Wisconsin residents at \$55 [Alternative A2]. Such a fee increase would raise an estimated \$259,500 in additional revenue, with \$173,900 funding habitat restoration in Wisconsin and \$85,600 funding propagation areas in Canada. 2019 Assembly Bill 543 would have enacted an identical increase in the waterfowl stamp fee. The bill had bipartisan co-sponsorship; it failed to pass pursuant to SJR 1.

15. A \$3 fee increase, from \$7 under current law to \$10, setting the total cost of waterfowl hunting for Wisconsin residents at \$53, would raise additional revenue at a lower cost to waterfowl hunters [Alternative A3]. Such an increase would raise an estimated \$157,300 in additional revenue. These revenues would be split, with \$105,400 annually funding habitat projects in Wisconsin and \$51,900 funding propagation areas in Canada.

16. 2019 AB 543 contained requirements that DNR report to the Legislature on how money received from fees for waterfowl hunting stamps was awarded to habitat projects, including amounts expended and amounts unobligated. In addition to one of Alternatives A1 through A3, the Committee could consider establishing a requirement that DNR report by November 15 of each odd-numbered year on the amounts in the preceding fiscal biennium: (a) received from the waterfowl stamp; (b) obligated to habitat projects; (c) expended on habitat projects; and (d) remaining unobligated [Alternative A4].

17. Other items under Committee consideration could also increase state support for wetland restoration. For instance, AB 68/SB 111 would provide a sales tax exemption for landscape planning and counseling services that pertain to the restoration, reclamation, or revitalization of prairie, savanna, or wetlands. While the proposal does not specify that the exemption be used for waterfowl habitat projects, wetland restoration would likely benefit migratory waterfowl. Further, DNR administers programs for wetland restoration under: (a) the Wisconsin Wetland Conservation Trust, which receives fees from activities that disturb or fill wetlands for the purpose of creating or restoring wetland functions elsewhere in the watershed; and (b) the Knowles-Nelson Stewardship program, which authorizes grants to nonprofit conservation organizations to undertake wetland restoration, creation, and enhancement on DNR properties. Additionally, because wetlands are thought to have broad benefits beyond providing waterfowl habitat, some may argue it is not necessary to fund additional wetland restoration or creation from a smaller base of fee payers. Under this perspective, the Committee could take no action [Alternative A5].

18. AB 68/SB 111 would allow DNR to award grants to NCOs for wetland habitat conservation projects. DNR may already award grants for propagation area improvements in Canada. Current law is ambiguous to whether or not DNR may award habitat area funding to NCOs and local governments.

19. Current law authorizes DNR to "expend 67 percent of the money received for waterfowl hunting stamps" for improving waterfowl habitat. The method by which DNR expends these funds is not specified. DNR has interpreted this authority to include awarding funds to NCOs under cooperative agreements. DNR indicates that amending the statutory language would clarify the Department's authority to award funds to NCOs. The Committee could consider amending the allowable uses of funds to include grants to NCOs and local governments for waterfowl habitat improvement projects [Alternative B1]. Clarifying this language would provide clear legal authority for the Department to offer grants.

20. It could be argued that DNR's practice of collaborating with NCOs and local governments on waterfowl stamp funded projects is already authorized. To date, there has been no known challenge to the Department's authority to offer these funds to external groups. Under this perspective, the Committee could take no action to amend the statutory uses of waterfowl stamp funds [Alternative B2].

ALTERNATIVES

A. Waterfowl Stamp Fee

1. Increase the waterfowl stamp fee by \$7, from \$7 to \$14. Reestimate stamp revenue and expenditures by \$390,000 SEG, including \$260,000 for habitat improvement and \$130,000 for aids for propagation areas.

ALT A1	Change to Base	
	Revenue	Funding
SEG	\$780,000	\$780,000

2. Increase the waterfowl stamp fee by \$5, from \$7 to \$12. Reestimate stamp revenue and expenditures by \$259,500 SEG, including \$173,900 for habitat improvement and \$85,600 for aids for propagation areas.

ALT A2	Change to Base	
	Revenue	Funding
SEG	\$519,000	\$519,000

3. Increase the waterfowl stamp fee by \$3, from \$7 to \$10. Reestimate stamp revenue and expenditures by \$157,300 SEG, including \$105,400 for habitat improvement and \$51,900 for aids for propagation areas.

ALT A3	Change to Base	
	Revenue	Funding
SEG	\$314,600	\$314,600

4. In addition to one of the alternatives above, require DNR to report by November 15 of each odd-numbered year on the amounts in the preceding fiscal biennium: (a) received from the waterfowl stamp; (b) obligated to habitat projects; (c) expended on habitat projects; and (d) remaining unobligated.

5. Take no action on the waterfowl stamp fee.

B. Allowable Uses of Funds

1. Authorize DNR to award waterfowl habitat improvement funds to NCOs and local units of government.

2. Take no action to amend the allowable uses of waterfowl stamp revenues.

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June, 2021

Joint Committee on Finance

Paper #453

Pierce County Islands Wildlife Area Restoration and Sheboygan Marsh Dam (Natural Resources -- Fish & Wildlife)

[LFB 2021-23 Budget Summary: Page 430, #3 & #4]

CURRENT LAW

Pierce County Islands Wildlife Area. The Pierce County Islands Wildlife Area encompasses 958 acres of the Mississippi River between Bay City, Wisconsin, and Red Wing, Minnesota. The wildlife area provides wetland habitat for 326 species of bird, 260 species of fish, and 37 species of freshwater mussels. The wildlife area is one of the largest floodplain forest habitats in the U.S. Lock and dam systems used to control river water levels for shipping barges have interrupted the natural flow of water through the wildlife area, leading to increased erosion and sedimentation. This has disrupted habitat areas, recreational opportunities, and commercial navigation in the river.

Sheboygan Marsh Dam. The Sheboygan Marsh is an approximately 14,000-acre area in the Kettle Moraine region and the largest restored wetland area in Wisconsin's Great Lakes basin. In 1938, the federal Works Progress Administration built the Sheboygan Marsh Dam in the Town of Russell to manage water levels in the marsh and control flooding of the Sheboygan River. As heavy rainfalls and rapid snowmelts have become more common, the dam has been unable to manage severe weather events. The 80-year old dam is nearing the end of its serviceable life.

DISCUSSION POINTS

Pierce County Islands Wildlife Area

1. Beginning in 2016, DNR and the U.S. Army Corps of Engineers (ACE) began to study the restoration of the Pierce County Islands Wildlife Area and the improvement of the navigational channel. The project would dredge sections of the river with high sedimentation, salvaging the dredged material for habitat restoration. After completing the study, ACE has committed to the

project. If state funding were made available, DNR would be the non-federal sponsor for the project.

2. ACE estimates the project cost to be \$24.3 million. ACE has secured the federal government's \$19.1 million commitment for the project. As the non-federal sponsor, DNR would be required to provide the remaining \$5.2 million. DNR reports that the Department has received \$1.16 million in funding commitments from local governments in both Wisconsin and Minnesota, as well as nonprofit conservation organizations including Ducks Unlimited, the Minnesota Audubon Society, and the Lake Pepin Legacy Alliance. DNR would also commit \$110,000 SEG from waterfowl stamp revenues for the project. Additionally, DNR would be able to reduce the state's contribution by using ACE engineering services. As the lead agency, ACE would be responsible for design, engineering and contracting.

3. DNR reports that funding from project partners, waterfowl stamp revenues, and project efficiencies will reduce the Department's contribution from \$5.2 million to \$3 million. AB 68/SB 111 would create a continuing appropriation for the project and provide the remaining \$3 million from the fish and wildlife account of the segregated (SEG) conservation fund as one-time funding in 2022-23. As a continuing appropriation, funding would remain available until it is expended. If funds remain unexpended after the project is completed, future legislation would be required to lapse funds to the balance of the conservation fund. DNR reports that if state funding is secured, the project could begin construction in summer 2022 and could be completed by summer 2023.

4. As of June 30, 2020, the fish and wildlife account had an available balance of \$25,291,700. In recent fiscal years, fish and wildlife account revenues have regularly been less than authorized expenditures for the account. A one-time \$3 million appropriation would further draw down the balance of the account. However, given the substantial balance in the account, the Committee could consider creating a continuing appropriation for the Pierce County Islands project and providing one-time funding for the restoration of the Pierce County Islands Wildlife Area from the fish and wildlife account [Alternative A1].

5. An alternate source of revenue for the Pierce County Islands Wildlife Area project could be considered. Under the Warren Knowles-Gaylord Nelson Stewardship program, DNR is authorized up to \$33.25 million per year for property development, land acquisition, and grants to nonprofit conservation organizations (NCOs) and local governments for nature-based recreational projects. Beginning in fiscal year 2011-12, s. 23.0917(5g) of the statutes restricts DNR from carrying forward unobligated bonding authority into subsequent fiscal years, unless directed by statute. DNR underspent its fiscal year 2019-20 annual allotment by approximately \$14.3 million. Occasionally, the Legislature will specify uses for such unobligated stewardship funds. Given the lapsed bonding authority available from the stewardship program, the Committee could consider authorizing DNR to use unobligated stewardship funds for the project [Alternative A2].

6. DNR notes that the habitat and wetland restoration projects are typically not eligible for bond funding. In general, bonding is used for long-term capital projects. Further, it is preferable that the expected useable life of the project be longer than the term of the bonds issued to fund the project. The state issues bonds with maturities of 5, 10, and 20 years. Wetland restoration projects have an indefinite lifespan and often need regular land management to be sustained. Erosion, flooding, and other natural forces may make the Pierce Islands project an unsuitable candidate for stewardship

funding. Given the statewide importance of recreation and commerce on the Mississippi River, the Committee could consider creating a continuing GPR appropriation and providing one-time GPR funding for the Pierce County Islands restoration project [Alternative A3].

7. Alternatively, the Committee could take no action [Alternative A4]. If funds were not appropriated, DNR reports that the Department may seek funds elsewhere. DNR indicates that it is unclear whether ACE would reduce the federal portion of the project, so DNR's ability to raise the required funds may impact the scale and scope of the project.

Sheboygan Marsh Dam

8. Sheboygan County owns the Sheboygan Marsh Dam, which controls the water levels on the Sheboygan Marsh. The county manages water levels on the marsh through an agreement with DNR. While Sheboygan County owns the dam, DNR owns the adjacent Sheboygan Marsh State Wildlife Area and relies on the marsh to manage fish and wildlife populations.

9. After 80 years, DNR reports that the dam has outlived its useable life. The dam cannot manage more common extreme rain falls and is inadequate to manage water levels on the marsh and control flooding on the Sheboygan River. The dam has undergone substantial repairs twice in the past 10 years and in 2013, DNR reports that an inspection concluded that the dam must be replaced.

10. According to DNR, the existing dam has limited controls, making it inadequate to manage marsh water levels. For instance, the dam has an immobile concrete spillway. While this prevents the water levels in the marsh from rising above a certain point, Sheboygan County is unable to lower marsh levels. The reconstructed dam would provide greater control over water levels, allowing for better marsh management.

11. Sheboygan County's 2021-25 capital plan estimates that the dam reconstruction will cost \$2.5 million. The county has received \$100,000 from the Sheboygan County Conservation Association, an outdoor recreation and education nonprofit. The county anticipates using \$1.4 million in general obligation bonding authority for the project. AB 68/SB 111 would create a continuing appropriation for the reconstruction of the Sheboygan Marsh Dam and would provide \$1 million in 2021-22 as one-time funding for a grant to Sheboygan County.

12. As noted above, DNR relies on the dam to manage water levels on the 14,000-acre marsh. DNR notes that if the marsh were rebuilt, the Department and Sheboygan County would have greater control over water levels, enabling better ecosystem management. Given the benefits to the Department, including habitat management and wetland improvement, the Committee could consider creating an appropriation for the reconstruction of the Sheboygan Marsh Dam and providing \$1 million SEG in one-time funding from the fish and wildlife account of the conservation fund [Alternative B1].

13. As described above, expenditures from the fish and wildlife account have consistently exceeded revenues in the past several fiscal years. Given the account's structural condition, alternate funding sources could be considered. DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns,

and lake districts for the repair, reconstruction, or removal of municipal dams, with awards up to \$400,000. Since the 1989-91 biennium, the program has been authorized \$6.6 million in water resources account SEG-supported bonding, up to \$6 million in Warren Knowles-Gaylord Nelson Stewardship program bonding authority, and \$29.5 million GPR-supported bonding authority, for a total of \$42.1 million in bonding revenues. While the state share of Sheboygan Marsh Dam replacement proposed by the Governor (\$1 million) exceeds the maximum dam safety grant authorized under statute, the Committee could direct DNR to award a \$1 million dam safety grant to Sheboygan County for the Sheboygan Marsh Dam [Alternative B2].

14. According to one estimate, there are approximately 200 high-hazard dams in the state. These dams could be eligible for funding under the dam safety grant program. In recent years, DNR has received more applications for dam safety grants than it is able to fund. Providing \$1 million for the Sheboygan Marsh Dam will reduce the funding available for these grants. As noted above, DNR has approximately \$14.3 million available in unobligated bonding authority from fiscal year 2019-20. The Committee could direct DNR to award Sheboygan County \$1 million for the Sheboygan Marsh Dam from unobligated stewardship bonding authority [Alternative B3].

15. As noted above, Sheboygan County owns the Sheboygan Marsh Dam. While the county manages the dam under an agreement with DNR, it could be argued that dam replacement is the county's responsibility. Under this perspective, the Committee could take no action [Alternative B4]. The county would be required to provide the remaining \$1 million from other sources.

Fish and Wildlife Development Projects

16. In recent biennia, the Legislature has appropriated one-time funding from the conservation fund for forestry, parks, and trails development projects. To accomplish this, the Legislature has created continuing appropriations funded from forestry revenues and from parks and trail revenues for the deposit of one-time monies. Rather than create two appropriations for one-time projects, the Committee could consider creating a single continuing appropriation for fish and wildlife development projects, funded from the fish and wildlife account of the SEG conservation fund and directing the specific projects to be expended from that appropriation [Alternative C].

ALTERNATIVES

A. Pierce County Islands Wildlife Area

1. Create a continuing appropriation for the Pierce County Islands Wildlife Area restoration project and provide \$3 million SEG from the fish and wildlife account as one-time funding in 2022-23.

ALT A1	Change to Base
SEG	\$3,000,000

2. Provide \$3 million in unobligated bonding authority from the stewardship program for

the Pierce County Islands Wildlife Area restoration project.

3. Create a continuing appropriation for the Pierce County Islands Wildlife Area restoration project and provide \$3 million GPR as one-time funding in 2022-23.

ALT A3	Change to Base
GPR	\$3,000,000

4. Take no action.

B. Sheboygan Marsh Dam

1. Create a continuing appropriation for the reconstruction of the Sheboygan Marsh Dam and provide \$1 million SEG from the fish and wildlife account as one-time funding in 2021-22.

ALT B1	Change to Base
SEG	\$1,000,000

2. Direct DNR to award a \$1 million dam safety grant to Sheboygan County for the Sheboygan Marsh Dam.

3. Provide \$1 million in unobligated bonding authority from the stewardship program for the reconstruction of the Sheboygan Marsh Dam.

4. Take no action.

C. Fish and Wildlife Development Projects

1. Create a continuing fish and wildlife account SEG development appropriation and provide \$4 million SEG as one-time funding in 2021-22. Direct DNR to provide up to \$3 million for the Pierce County Islands Wildlife Area restoration project and \$1 million for the Sheboygan Marsh Dam reconstruction. (This alternative could be selected instead of any under A and B.)

ALT C1	Change to Base
SEG	\$4,000,000

2. Take no action.

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June, 2021

Joint Committee on Finance

Paper #454

Terrestrial Invasive Species Grants (Natural Resources -- Fish and Wildlife)

[LFB 2021-23 Budget Summary: Page 430, #5]

CURRENT LAW

The Department of Natural Resources (DNR) has broad authority to conserve native plants, animals and landscapes. Terrestrial invasive species are non-native species that do harm to native species and local ecology. DNR currently provides management best practices to limit the introduction and control the spread of terrestrial invasive species. The Department also restricts or prohibits certain species from being introduced in the state. DNR currently administers an aquatic invasive species program to monitor invasive species in the state's waters and to assist local governments to create invasive species management plans. DNR provides grants for up to 75% of the cost of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings.

DISCUSSION POINTS

1. Invasive species can have deleterious impacts on Wisconsin's native wildlife. According to the Invasive Plant Association of Wisconsin, invasive fruits and berries can replace native plants that sustain bird populations. For instance, the multiflora rose, a restricted invasive species, provides less nutrition to native insects and birds. After it is introduced to an area, it has the potential to reduce songbird populations. Garlic mustard, another restricted invasive species, produces large leaves that block light to native seedlings, crowding out nascent prairie and forest growth. The ecological damage caused by invasive species can cause economic harm. For instance, a 2011 study by the U.S. Forest Service and supported by The Nature Conservancy estimates that the gypsy moth, which is endemic in eastern Wisconsin, and other invasive foliage feeders have caused \$410 million in lost property values.

2. Terrestrial invasive species can be introduced to the state through a number of vectors,

including intentional planting, accidental transit, or other methods. Kudzu, a Wisconsin restricted species that can smother trees and forests, was introduced in the U.S. as an ornamental vine. In the 1930s, the species was widely planted to control soil erosion. It is now established in much of the southeastern U.S. and has been found as far north as Great Lakes states including New York, Illinois and Indiana. The fast-growing plant has no native predators and can expand to new areas through its deep, rapid-growing root network.

3. Other invasive species have been introduced to Wisconsin through accidental transit. The emerald ash borer, a beetle that bores into the trunks of ash trees, disrupting the flow of sap and nutrients through their phloem, has killed hundreds of millions of ash trees in North America. The U.S. Forest Service estimates that the emerald ash borer costs an average of \$1 billion in damage each year. The emerald ash borer is believed to have entered the U.S. in the wood of shipping crates. According to DNR, the emerald ash borer can be transmitted by traveling in untreated wood products.

4. Terrestrial invasive species can be controlled through early detection and the development and implementation of management plans. DNR administers an aquatic invasive species grant that provides up to 75% of the costs of projects for local governments to monitor and control aquatic invasive species. Eligible projects include education and public outreach, developing management plans, controlling pioneer populations before they become endemic, limiting the spread of established populations, and prevention of population incursion into new waters.

5. Assembly Bill 68 / Senate Bill 111 would provide \$540,000 conservation fund SEG annually for grants to cooperative invasive species management areas (CISMAs) for surveying, monitoring, and controlling terrestrial invasive species. CISMAs are organizations of landowners and land managers that work to develop a management plan to control invasive species within a defined geographical region. DNR notes that the grants would likely be split-funded, with funding coming from the fish and wildlife, forestry, parks and endangered resources account. This is similar to other SEG funding arrangements for natural heritage conservation operations.

6. DNR reports that CISMAs can extend the reach of the Department to monitor and control invasive species. Since the groups are local associations of landowners and land managers, they can respond quickly to survey and implement management plans to control local invasive species spread. DNR also indicates that these local groups may be able to detect invasive species earlier than DNR would be able to. In addition, the groups may prompt more cooperation from private landowners than DNR itself may be able to encourage.

7. CISMAs vary in size, capacity, and public support. The Wisconsin Headwaters Invasive Project, a CISMA that operates in Oneida and Vilas Counties and receives operational support from the Lumberjack Resource Conservation and Development Council, performs citizen science projects including monitoring and reporting invasive plants and insects, as well as garlic mustard inventory and removal projects. The Lower Chippewa Invasive Project maintains a trailer and plant management equipment that it lends to groups to perform invasive species control activities. The Southeastern Wisconsin Invasive Species Consortium provides grants for up to \$2,000 for member groups to conduct invasive species control activities such as replanting native species and habitat restoration.

8. Other states provide public support for CISMAs. For instance, New York is divided into eight units known as Partnerships for Regional Invasive Species Management (PRISMs). PRISMs have an institutional sponsor, such as a university or a nonprofit conservation organization, and receive continuing support in the form of five-year contracts from the state's Environmental Defense Fund. The Adirondack Park Invasive Plant Program, a PRISM serving northern New York's Adirondack Mountains and Lake Champlain areas, has four staff members who collaborate with property owners, state agencies, and conservation groups on invasive species management plans and projects, and who develop research on invasive species best practices.

9. There are currently 15 CISMAs in the state covering 37 counties. DNR expects three additional CISMAs to form, bringing the total to 18. The proposed amount would provide grants of up to \$30,000 to these 18 CISMAs annually. Currently, CISMAs receive limited operational support from DNR. DNR reports that the grants would provide stable funding and coordination for CISMAs. DNR indicates that grants would fund public outreach and education, specific control projects including invasive plant removal and herbicide spraying, surveying and monitoring, and hiring staff. Given the damage that can be caused to Wisconsin's natural landscape by terrestrial invasive species, the Committee could consider authorizing DNR to award terrestrial invasive species grants and providing \$540,000 SEG annually for these grants [Alternative 1a].

10. As described above, the proposed funding could provide \$30,000 to 18 CISMAs annually. While DNR expects there to be a total of 18 CISMAs in the state, there are currently only 15. The Committee could consider providing \$450,000, which would be sufficient to provide \$30,000 annually to the 15 CISMAs that are currently established [Alternative 1b].

11. Many grants awarded by DNR require that grant recipients provide a cost share. Typical cost shares range from 25% to 50%, with DNR providing the remaining 75% to 50%. DNR indicates that it would be unlikely to require a cost-share amount or percentage for terrestrial invasive species grants. The Department reports that CISMAs have limited capacity to raise funds. Requiring a cost-share could dampen participation in the grant program and limit the ability of CISMAs to dedicate funds to other mission critical areas. However, it could be argued that cost-share requirements ensure oversight and prudent management of projects, since grant recipients contribute their own funds to the project. Aquatic invasive species grant recipients, for instance, must pay at least 25% of project costs. The Committee could consider requiring a cost-share of at least 25% with DNR paying the remaining 75% [Alternative 2].

12. Requiring a cost-share could have the effect of extending state support. For instance, \$30,000 provided by DNR would fund a project of at least \$40,000. Under Alternative 1a (providing \$540,000 SEG), the total value of projects that could be funded would be \$720,000. Under Alternative 1b (providing \$450,000 SEG), the total value of projects that could be funded would be \$600,000. Alternatively, if the Committee were to provide \$405,000 and require a 25% cost share, the total value of projects that could be funded would be \$540,000 [Alternative 1c].

13. Many CISMAs are run by volunteers. As such, they are unlikely to have the capacity to raise significant funds to conduct projects. Additionally, without full-time staff or stable funding, CISMAs may be unable to hire grant writers or fund raisers. To avoid dampening the impact of terrestrial invasive species grants while ensuring that CISMAs are invested in projects funded by

DNR, the Committee could consider authorizing CISMAs to use volunteer labor or in-kind donations to match grant funds [Alternative 3].

14. Under Alternative 3, DNR could establish an hourly "wage" rate and allow CISMAs to use the number of hours worked by volunteers on a grant-funded project multiplied by that wage rate to count toward their match requirement. DNR indicates that the Department would likely request CISMAs to track the time they spend on a project. Additionally, CISMAs who receive donations of herbicides, pesticides, tools, or other equipment for a project could use the value of those donations to secure their match.

15. In addition to providing dedicated funding to CISMAs, AB 68/SB 111 would reallocate one vacant position from fisheries management to natural heritage conservation to administer the terrestrial invasive species grants and to coordinate invasive species programming with CISMAs and other local groups. DNR indicates that the Department does not have the staffing capacity to administer these grants under its existing staffing allocation. Reallocating the position would provide a dedicated position to both award grants and coordinate terrestrial invasive species programming. The Committee could consider reallocating the position and deleting \$18,600 in 2021-22 to reflect the timing of the hiring of the position [Alternative 4].

16. Alternatively, the Committee could take no action [Alternative 5]. CISMAs could be eligible to receive other grants for habitat management, tree planting, and other activities supported by terrestrial invasive species grants. Without a dedicated source of funding, however, CISMAs may lack coordination to prevent or respond to larger invasive species infestations.

ALTERNATIVES

1. Authorize DNR to award grants for terrestrial invasive species management and provide one of the following amounts:

- a. \$540,000 conservation fund SEG annually.

ALT 1a	Change to Base
SEG	\$1,080,000

- b. \$450,000 conservation fund SEG annually.

ALT 1b	Change to Base
SEG	\$900,000

- c. \$405,000 conservation fund SEG annually.

ALT 1c	Change to Base
SEG	\$810,000

In addition to one of the above,

2. Require grant recipients to provide a cost share of at least 25%. (DNR grants could support the remaining 75%.)

3. In addition to Alternative 2, authorize grant recipients to provide in-kind donations and volunteer labor to provide the required cost share. Authorize DNR to create rules to determine how to account for these.

4. In addition creating the terrestrial invasive species grants, reallocate 1.0 position from fisheries management to natural heritage conservation to coordinate with CISMAs and administer the grants. Delete \$18,600 SEG in 2021-22 to reflect the timing of the hire.

ALT 4	Change to Base
SEG	- \$18,600

5. Take no action.

Prepared by: Eric R. Hepler

Natural Resources -- Fish and Wildlife

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
6	Wildlife Management and Natural Heritage Conservation Transfers

