

STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: November 18, 2019

Re: DNR Report to JFC

Attached is a report on land management contracts on Department properties for 2018-19 fiscal year from the Department of Natural Resources, pursuant to s. 23.0912(2), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
101 S. Webster Street
Box 7921
Madison WI 53707-7921

Scott Walker, Governor
Cathy Stepp, Secretary
Telephone 608-266-2621
FAX 608-267-3579
TTY Access via relay - 711



November 15, 2019

The Honorable Alberta Darling
Co-Chair, Joint Committee on Finance
Room 317 East
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

The Honorable John Nygren
Co-Chair, Joint Committee on Finance
Room 309 East
State Capitol
P.O. Box 8953
Madison, WI 53708

RE: Report on Departmental Contracts for Land Management Activities

NOV 18 2019
J. Finance

Dear Co-Chairs,

Pursuant to s. 23.0912 (2), Wisconsin Statutes, I am hereby presenting to you the Department's report on land management contracts on departmental properties for the 2018-19 fiscal year.

If you have any further questions or need additional information, please contact Doug Haag in the Bureau of Facilities and Lands at 608-266-2136 or douglasj.haag@wisconsin.gov.

Sincerely,

Beth Bie

for Preston Cole
Secretary- Designee

DEPARTMENT OF NATURAL RESOURCES
Land Management Contracting Report - FY 2019
November 15, 2019

Introduction

S. 23.0912(2), Wis. Stats., as created in the 2007-09 Biennial Budget (2007 Act 20) requires the Department of Natural Resources (DNR) to submit a report to the Joint Committee on Finance (JCF) concerning land management contracts on department properties. This document is intended to satisfy that requirement.

Statutory requirement language

- 23.0912 Land management, maintenance, and improvement activities.**
- 23.0912(1g) The department may contract with nonprofit conservation organizations and other 3rd parties to perform land management, maintenance, and improvement activities on department land.
- 23.0912(2) The department shall prepare, for the joint committee on finance, an annual report concerning any contracts into which the department enters under sub. (1g) during each fiscal year. For each contract entered, the report shall include information concerning the cost of the contract, the activities performed under the contract, and an assessment of the cost-effectiveness of the contract. The department shall submit the report to the committee no later than November 15 for the preceding fiscal year, and shall submit the first report no later than November 15, 2008.

Definitions and scope of existing statutes

- 23.0955(1) In this section, "nonprofit conservation organization" means a nonprofit corporation, a charitable trust or other nonprofit association whose purposes include the acquisition of property for conservation purposes and that is described in section 501(c)(3) of the internal revenue code and is exempt from federal income tax under section 501(a) of the internal revenue code.
- 23.0917(1)(c) "Department land" means an area of land that is owned by the state, that is under the jurisdiction of the department and that is used for one of the purposes specified in s. 23.09(2)(d).

Land management: For purposes of this report this term means maintenance, repair or replacement of paving (regardless of material used), buildings, wild or cultivated plants, or the land itself for habitat or other recreational purposes. It includes structures associated with the specific purposes noted in s. 23.09(2); it does not include maintenance associated with general office operations or other activities not clearly related to such purposes.

Examples of Items Included in Report

Fish hatchery facilities
 Habitat management
 Prescribed burning
 State park visitor centers and services
 Trail construction or maintenance
 (whether paved or unpaved)

Examples of Items Excluded from Report

Office buildings or facilities
 Law enforcement
 DNR staff training
 Equipment purchases/maintenance

Reasons for Contracting

Cost-effectiveness: The term is used here to indicate whether the product or service was purchased at a lower cost than if it had been provided by state employees.

Availability of DNR resources to perform work: Often the Department lacks available state employees with the necessary knowledge or time to perform the work. Also, the department may lack specialized equipment necessary to perform tasks.

Methodology of Report

In compiling the 2019 report, the Department identified multiple types of work that were contracted for rather than performed utilizing state employees. As in prior years, the analysis determined the work that was contracted for would have been outside of the Department's expertise, state personnel were unavailable to accomplish the work given the timeliness of the project, or contracting was the most efficient way to accomplish the necessary work. The following summaries describe the types of land management work that the Department contracted out.

Boat Access Site Land Maintenance: \$175,090

Boat access site maintenance encompasses several common activities requiring heavy materials transfer. Due to the remote location of many boat access sites that the Department administers, coupled with reduced staffing levels, it is frequently more cost effective to contract for work at these locations. In addition, much of the work is related to gravel parking lot maintenance, paving, pier installations, pier removal and snowplowing for which it is frequently cheaper to contract for rather than utilize existing staff time to accomplish.

Habitat Land Maintenance: \$1,063,077

One of the more common services the Department contracts for is earth-moving, whether in the form of soil or rock. This work requires access to quarries and rock-crushing facilities as well as the equipment needed to load, transport and install large, bulky and very heavy loads. Costs related to habitat land maintenance also involved moving soil and rock to excavate channels for culverts, place the culverts, and replace the soil and rock. Contractors also provided and installed broken and crushed rock erosion control material (riprap) along stream banks. Brush clearing and tree removal are also often contracted for. This work is typically contracted for due

to unavailability of DNR personnel during periods of reduced LTE capacity coupled with the timeliness of the projects.

Fish Hatchery Land/Facility Maintenance: \$655,046

These costs are often related to equipment maintenance/replacement which the DNR may not have staff trained to perform or it is more cost efficient to contract for this work.

Invasive Species Control: \$644,360

Invasive species control is very seasonal. Due to the timing of LTE hires, reassigning existing permanent employees to accomplish these projects would require setting aside other high-priority work.

Land Maintenance: \$2,756,924

There are a variety of costs in this category associated with work that the Department may not have the capacity to perform due to vacancies or a compressed time period in which to perform work. Contracts for work related to herbicide spraying to prepare land for restoration are included here.

Many of the costs identified in the other categories are present here if there was not enough detail to place them in a more detailed category.

Tree Planting: \$228,948

Tree planting is a necessary part of land management, and it is done during the spring in order to maximize the chance of survival. This is also the time when Department staff are getting buildings and other operations up and running. The primary reason these projects are contracted for is a lack of available staff time to accomplish the work. Given the short time frame and range of other critical work, it is often not possible for existing staff to accomplish the projects.

Facilities Maintenance: \$2,385,437

Contracts related to facilities maintenance are in response to a variety of needs; however, most of the contracts are related to capital development projects, specifically facility repair and maintenance. Facilities maintained in this category span the full range of facilities owned and maintained by the department including: marinas, shooting ranges, public entrance and visitor stations, campgrounds, well drilling and well abandonment. Utilizing contractors for these types of expenses is both cost effective and necessary as the Department typically does not have trained personnel available to perform these types of work. The Department contracts for technical work, including asbestos removal and multiple construction-related services for which the Department lacks the capacity or technical skills to perform.

Trail Maintenance: \$679,388

The Department contracts for snowmobile grooming services with local snowmobile clubs utilizing statutorily authorized, dedicated funds for this purpose. In addition, the costs to mow, remove brush, perform minor tread repair and facility maintenance along trails are included here. A majority of the contracts are related to capital development projects specifically major trail repair, trail building and maintenance. Utilizing contractors for these types of expenses is both cost effective and necessary as the Department typically does not have trained personnel available to perform these types of work.

Dike/Dam Land Maintenance: \$135,460

A majority of these contracts are related to capital development projects specifically dike and dam upgrades and maintenance as well as facility repair and maintenance. Utilizing contractors for these types of expenses is both cost effective and necessary as the Department typically does not have trained personnel available to perform these types of work.

Summary

The Department of Natural Resources contracts with private companies and non-profit conservation organizations to implement high-priority land management projects for which state employees and/or equipment are not available. In most cases the Department does not have the necessary equipment, training or capacity to do the work.

Category Summary

Boat Access Site Maintenance	\$175,090
Habitat Land Maintenance	\$1,063,077
Hatcheries	\$655,046
Invasive Species Control	\$644,360
Land Maintenance	\$2,756,924
Tree Planting	\$228,948
Facilities Maintenance	\$2,385,437
Trails Maintenance	\$679,388
Dike/Dam Maintenance	\$135,460
Total:	\$8,723,731