



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #261

### Stewardship-Funded Projects (Building Program)

[LFB 2001-03 Budget Summary: Page 158-9, Item #7 (except item B)]

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#### CURRENT LAW

Under the Warren Knowles-Gaylord Nelson Stewardship 2000 program, \$46 million of general obligation bonding authority is available annually through 2009-10. The Department is allocated \$34.5 million annually for land acquisition, and \$11.5 million for property development and local assistance. Of the \$34.5 million allocated for land acquisition, a portion is generally set aside each year by the Natural Resources Board as part of the annual Stewardship expenditure plan for grants to non-profit conservation organizations to acquire property for conservation purposes. Of the \$11.5 million allocated for property development and local assistance, at least \$3.5 million is statutorily allocated for property development annually. Not more than \$8 million annually in local assistance grants may be awarded for: (a) grants for urban green space; (b) grants for local park aids; (c) grants for acquisition of property development rights; and (d) grants for urban rivers. Funding obligated for property development could be used for: (a) property development on DNR land; (b) property development on conservation easements adjacent to DNR land; and (c) grants to friends groups and non-profit conservation organizations for property development activities on DNR land.

#### BUILDING COMMISSION

Require DNR to provide stewardship 2000 program bonding for the following projects.

a. From the land acquisition subprogram, \$1 million for the Wisconsin agricultural stewardship initiative at UW-Platteville and UW-Madison to be used for conducting research and for training farmers concerning the development of sound environmental farming practices;

b. From the property development and local assistance subprogram, \$1 million to reconstruct the chalet at Rib Mountain State Park; and

c. From the property development and local assistance subprogram, \$3 million for the development of Milwaukee Lakeshore State Park.

Further, clarify that the \$50,000 in funding previously provided to rebuild "a" chalet at Rib Mountain State Park refer instead to "the" chalet at that park. Also, in referring to the stewardship funding provided Milwaukee Lakeshore State park, delete the reference to a state park that will provide access to Lake Michigan in the City of Milwaukee to refer instead to Milwaukee Lakeshore State Park.

In addition, the Building Commission recommended that \$2 million be set aside from the property development and local assistance subprogram for projects approved by the State Fair Park Board; however, this item is addressed in a separate LFB budget paper (#258).

## **DISCUSSION POINTS**

1. A technical clarification to the language for the provision under (a) would need to be added to allow Stewardship 2000 funds to be used for this project. The language should read, "From the land acquisition subprogram, \$1 million for the Wisconsin agricultural stewardship initiative at UW-Platteville and UW-Madison to be used to construct a facility at UW-Platteville for conducting research and for training farmers concerning the development of sound environmental farming practices". Without this change, the proposal (as worded to include research and training) would be ineligible for funding with bonding allocations.

2. Under the Building Commission's recommendations, \$6 million would be earmarked from the property development and local assistance subprogram. Under the subprogram, at least \$3.5 million is allocated for property development annually and up to \$8 million annually is available for local assistance. Approving the recommendations of the Building Commission would reduce funds available for property development and for local assistance.

3. The Natural Resources Board adopted an expenditure plan for Stewardship funds over the 2001-03 biennium that would allocate \$7.25 million of the \$34.5 million available annually for general land acquisition for grants to non-profit conservation organizations. Of the \$27.25 million remaining for DNR land acquisition, the Department indicates that approximately \$8.3 million would be applied against the Great Addition purchase (\$25 million of future stewardship 2000 bonding authority was used to advance fund this project in 1999 and must be accounted for by fiscal year 2003-04). This would leave \$18.95 million for DNR land acquisition activities in each year of 2001-03 biennium. For the property development and local assistance subprogram, \$7 million would be available for local assistance grants, leaving \$4.5 million for property development on DNR-owned land in each year. The amount allocated for property development includes \$250,000 annually for friends' group development grants, which involve projects on DNR lands.

4. Demand for local assistance grants currently exceeds available funding. The Department made \$7 million available in 2000-01 for these grants; DNR indicates that it received grant requests from local governments and non-profit conservation organizations for projects totaling approximately \$30 million for 2000-01.

5. The Department utilizes property development funds for a variety of purposes, including constructing hiking and bicycle trails, developing state park properties, and building or replacing support facilities (such as sanitation systems) on DNR property. The Department has made a number of large acquisitions recently, including the 32,800 acre Great Addition and property for the development of two Centennial State Parks. Reduced funding for development of these properties may hamper public access to the properties.

6. It may be argued that, with greater available resources, bonding authority for land acquisition could be earmarked for all of these projects (rather than only the agriculture stewardship initiative). Doing so would reduce available bonding for other land acquisition from \$34.5 to \$28.5 in 2001-02 (about \$13 million after NCOs and the Great Addition accounting are considered). The effect would be to prioritize local assistance grants and the development of already purchased property over the acquisition of new parcels.

7. Alternatively, as the main purpose behind the Stewardship 2000 program is to acquire land for conservation purposes, development of properties may be interpreted as a secondary priority to conservation. As the reconstruction of the chalet at Rib Mountain State Park, and the development of Milwaukee Lakeshore State Park are for property development projects, it may be argued that the Building Commission's request is appropriate.

8. While development of state park properties is an appropriate use of stewardship development funds, some would argue Milwaukee Lakeshore and Rib Mountain State Parks should compete with all other DNR projects for available funds. It is argued that the environmental and land and water conservation benefits anticipated from the agricultural stewardship initiative justify the use of stewardship bonds. On the other hand, stewardship bonds have not typically been used for construction projects at University of Wisconsin facilities.

## **ALTERNATIVES TO BASE**

1. Approve the Building Commission's recommendation (as technically corrected) to require DNR to provide stewardship 2000 program bonding for the following projects.

a. From the land acquisition subprogram, \$1 million for the Wisconsin agricultural stewardship initiative at UW-Platteville and UW-Madison to be used to construct a facility at UW-Platteville for conducting research and for training farmers concerning the development of sound environmental farming practices;

b. From the property development and local assistance subprogram, \$1 million to reconstruct the chalet at Rib Mountain State Park; and

c. From the property development and local assistance subprogram, \$3 million for the development of Milwaukee Lakeshore State Park.

d. Further, clarify that the \$50,000 in funding previously provided to rebuild "a" chalet at Rib Mountain State Park refer instead to "the" chalet at that park. Also, in referring to the stewardship funding provided Milwaukee Lakeshore State park, delete the reference to a state park that will provide access to Lake Michigan in the City of Milwaukee to refer instead to Milwaukee Lakeshore State Park.

2. Modify the Building Commission's recommendation to specify that the bonding authority for all projects approved be earmarked out of available bonding for land acquisition.

3. Modify the Building Commission's recommendation to allow DNR to determine the stewardship categories from which the projects would be funded.

4. Take no action (no stewardship funds would be earmarked for these projects).

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