



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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May 16, 2001

Joint Committee on Finance

Paper #675

### **Nonpoint Program Funding (DNR -- Water Quality, DATCP -- Departmentwide and Resource Management, & Miscellaneous Appropriations)**

[LFB 2001-03 Budget Summary: Page 92, #4, Page 457, #1, Page 485, #1 and Page 486, #3]

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#### **CURRENT LAW**

A vehicle title transfer fee of \$7.50 is deposited to the transportation fund and general fund revenue in an amount equal to annual title transfer fee revenue is deposited to the segregated nonpoint account of the environmental fund. The GPR transfer of funds to match the supplemental title transfer fee revenues (and associated investment income) is the sole source of nonpoint account revenue. Unspent segregated appropriation authority lapses back to the environmental fund at the end of each year.

The Secretary of Transportation must annually certify to the Secretary of Administration the amount of automobile title transfer fees collected during the previous fiscal year, for the purpose of determining the amounts to be transferred to the nonpoint account. Thus, the amount of GPR transferred to the nonpoint account of the environmental fund annually rises or falls based on revenue from the \$7.50 automobile title transfer fee.

The nonpoint account of the environmental fund is used to partially fund the state's nonpoint source water pollution abatement programs. The Wisconsin Department of Natural Resources (DNR) and DATCP work jointly in controlling nonpoint source water pollution and soil erosion in the state. DNR provides landowner cost-share funding under the original priority watershed program, its competitive targeted runoff management program and an urban nonpoint and municipal flood control program. DNR also provides local assistance grants for municipal technical staff and administration under the urban nonpoint and municipal flood control program. In the 1999-01 biennium, DNR was budgeted \$12,048,500 in GPR, PR and SEG funding and \$35.4 million in bonding revenues for these grant programs. DATCP, in addition to providing

staffing grants for original priority watershed projects, receives funds to provide matching grants for county staff and cost-shares to fund landowners' soil conservation and nonpoint pollution abatement practices. In the 1999-01 biennium, DATCP was budgeted \$13,687,300 GPR and SEG and \$3,575,000 in bond revenues for land and water resource management (LWRM) grants.

## **GOVERNOR**

Convert \$5,167,700 SEG in 2001-02 and \$5,168,700 SEG in 2002-03 with 16.5 DNR positions from the nonpoint account of the environmental fund to GPR, and transfer \$5,100,000 from the environmental fund to the general fund. The bill would delete or replace DNR SEG appropriations and convert all nonpoint funding to GPR in the following annual amounts: (a) \$386,900 and 5.5 positions for nonpoint source water pollution research, evaluation and monitoring; (b) \$50,000 for water pollution credit trading projects (the continuing appropriation balance would be retained within the new GPR appropriation); (c) \$1,079,300 for nonpoint source water pollution contracts; (d) \$603,800 and 8.0 positions for nonpoint source water pollution administration; (e) \$2,000,000 for urban nonpoint source water pollution abatement grants; (f) \$150,000 for river protection grants; and (g) \$463,600 for the Wisconsin Waters Initiative. The provision also would convert \$128,900 annually and 1.5 positions for total maximum daily load (TMDL) purposes to GPR funding. In addition, 1.5 positions and funding of \$305,200 in 2001-02 and \$306,200 in 2002-03 are replaced by GPR for administration and customer assistance and external relations. Delete the DNR SEG appropriation for rural nonpoint grants (funding in this appropriation was transferred to DATCP under the 1999 biennial budget act).

Delete an annual SEG appropriation for the soil and water resource management program in DATCP and convert \$4,876,100 SEG annually with 11.0 positions from the nonpoint account of the environmental fund to GPR. Of the \$4,876,100, funding of \$904,800 annually is allocated for DATCP staff to administer LWRM program activities. Additionally, \$3,971,300 annually is provided for landowner cost-sharing and county staffing grants, including funding for priority watershed staff. The grant funding converted to GPR would be provided in an existing GPR continuing appropriation funded at \$9,847,000 annually under the bill.

Repeal the supplemental title fee matching GPR sum sufficient appropriation that was estimated at \$10,700,000 annually and delete current provisions that deposit general fund revenues (GPR) in an amount equal to the annual revenues generated from the \$7.50 automobile title transfer fee to the segregated nonpoint account of the environmental fund. Table 1 shows the nonpoint account appropriation conversion amounts under the Governor's provisions.

The effect of the bill would be to allow no revenues or expenditures to or from the nonpoint account of the environmental fund. Thus, with the required transfer of \$5,100,000 to the general fund, the account would be eliminated.

**TABLE 1**

**Nonpoint Account Appropriation Conversion to GPR -- SB 55**

	2001-02 <u>SEG</u>	2001-02 <u>GPR</u>	2002-03 <u>SEG</u>	2002-03 <u>GPR</u>	Positions <u>SEG</u>	Positions <u>GPR</u>
Transfer		-\$10,700,000		-\$10,700,000		
DNR	-\$5,167,700	\$5,167,700	-\$5,168,700	\$5,168,700	-6.50	16.50
DATCP	<u>-4,876,100</u>	<u>4,876,100</u>	<u>-4,876,100</u>	<u>4,876,100</u>	<u>-11.00</u>	<u>11.00</u>
TOTAL	-\$10,043,800	-\$656,200	-\$10,044,800	-\$655,200	-27.50	27.50

Further, prohibit DNR and the Land and Water Conservation Board (LWCB) from extending funding for a designated priority watershed or priority lake project under the nonpoint water pollution abatement program beyond the funding termination date established prior to January 1, 2001, or if a funding termination date was set before January 1, 2001, the funding termination date first established after December 31, 2000. Further, require DNR to submit final priority watershed plans to the LWCB for approval (rather than receiving LWCB approval of an earlier draft), and prohibit DNR from implementing the plan without LWCB approval.

**DISCUSSION POINTS**

1. 1999 Act 9 provided \$17.3 million to DATCP for state grant funding for LWRM activities. In addition, DNR was provided \$30.4 million in state grant funding for similar rural nonpoint activities. As shown in Table 2, under the bill, DATCP would be provided \$26.7 million. In addition, DNR would be provided \$24.4 million for rural nonpoint pollution abatement practices (including \$22.4 million BR). Thus, DATCP would receive \$9.4 million more than in 1999-01 while DNR would see a \$6 million reduction for a combined increase of \$3.4 million or 7.1% over the amount provided in 1999-01 (from \$47.7 million to \$51.1 million).

**TABLE 2**

**State Rural Nonpoint Grant Funding**

	1999 Act 9			
	DATCP		DNR	
	<u>1999-00</u>	<u>2000-01</u>	<u>1999-00</u>	<u>2000-01</u>
GPR	\$2,390,300	\$5,875,700	\$4,383,600	\$883,600
PR*	0	0	120,000	120,000
SEG	1,450,000	3,971,300	2,541,300	0
BR	<u>3,575,000</u>	<u>0</u>	<u>22,400,000</u>	<u>0</u>
Total	\$7,415,300	\$9,847,000	\$29,444,900	\$1,003,600
	\$17,262,300		\$30,448,500	

  

	Governor's Recommendation			
	DATCP		DNR	
	<u>2001-02</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2002-03</u>
GPR	\$9,847,000	\$9,847,000	\$883,600	\$883,600
PR*	0	0	120,000	120,000
BR	<u>7,000,000</u>	<u>0</u>	<u>22,400,000</u>	<u>0</u>
Total	\$16,847,000	\$9,847,000	\$23,403,600	\$1,003,600
	\$26,694,000		\$24,407,200	

\*Tribal gaming program revenues may only be used to fund nonpoint grants and local assistance to the Oneida Nation of Chippewa.

2. 1999 Act 9 provided \$17 million to DNR for state grant funding for urban nonpoint and municipal flood control activities. As shown in Table 3, under the Governor's recommendation, DNR would be provided \$15 million for these purposes, or a decrease of 13.3% from the amount provided in 1999-01.

**TABLE 3**

**Urban Nonpoint and Municipal Flood Control Grant Funding**

<u>Source</u>	<u>1999 Act 9</u>	
	<u>1999-00</u>	<u>2000-01</u>
SEG	\$2,000,000	\$2,000,000
BR	<u>13,000,000</u>	<u>0</u>
Total	\$15,000,000	\$2,000,000

  

<u>Source</u>	<u>Governor's Recommendation</u>	
	<u>1999-00</u>	<u>2000-01</u>
GPR	\$2,000,000	\$2,000,000
BR	<u>11,000,000</u>	<u>0</u>
Total	\$13,000,000	\$2,000,000

**Nonpoint Account**

3. Prior to 1997, environmental fund revenues were provided from a \$7.50 automobile title transfer fee adopted in 1991. This revenue source was selected in recognition of the nonpoint source pollution attributable to the state's transportation infrastructure and vehicle operation. However, in order to address funding concerns in the Wisconsin Department of Transportation, the 1997-99 biennial budget act converted to GPR most appropriations from the segregated transportation fund and required that title transfer fees be retained in the transportation fund. Instead, general fund revenues in an amount equal to annual title transfer fee revenues are currently deposited to the segregated nonpoint account of the environmental fund.

4. Some may argue that eliminating the nonpoint account would remove the funding link made between nonpoint source pollution and the state's transportation infrastructure and vehicle operation. However, in actuality, funding currently is provided from the general fund. Thus, others would argue that eliminating the nonpoint account more accurately reflects the actual support of the nonpoint program.

5. If the supplemental title fee matching GPR sum sufficient appropriation were repealed, there would be no net fiscal effect in converting appropriations funded from the nonpoint account of the environmental fund to GPR. Further, under the bill, all DATCP and DNR nonpoint account SEG appropriations would be funded by GPR in their adjusted base funding amounts, as shown in Table 1.

6. Under current law, as a segregated fund, the nonpoint account retains interest income earned on fund balances, which in 1999-00 was \$356,800. Further, general fund revenues

are provided to the nonpoint account to match the amount earned from vehicle title transfer fees. If title transfer fee revenues increase, the revenue deposited to the nonpoint account also increases. Thus, with interest providing additional revenue in the account and potential revenue increases based on the title transfers, some believe the segregated account may allow for increased costs of the nonpoint program more readily than under the bill.

7. Conversely, under current law, if title transfer fee revenues decrease, the revenue deposited to the nonpoint account also decreases. Since expenditures may not exceed the fund balance, expenditures from the account may also drop if the account is not carrying a sufficient balance. Thus, eliminating the nonpoint account could be seen as potentially stabilizing revenue provided for nonpoint pollution abatement activities (by not automatically increasing or decreasing funds available for expenditure in the account). On the other hand, some suggest that GPR appropriations may be more vulnerable than segregated funds to reductions in times of difficult fiscal condition. Note in Table 4 that while title transfer fee revenues have increased by nearly \$1 million over the past seven years, they have increased and decreased significantly depending on the year. Title transfer fee revenues are expected to decrease from 2000-01 levels to \$11.0 million in 2001-02 and \$11.1 million in 2002-03. Although actual transfers have been significantly higher than the \$10.7 million in the base, if current law were maintained, the supplemental title fee matching GPR sum sufficient appropriation would need to be reestimated up to \$11 million in 2001-02 and \$11.1 million in 2002-03 (a biennial increase of \$700,000 GPR).

**TABLE 4**

**Title Transfer Revenue**

1993-94	\$10,309,500
1994-95	10,273,600
1995-96	10,234,800
1996-97	9,282,500
1997-98	10,256,700
1998-99	10,839,400
1999-00	10,977,400
2000-01	11,280,000

8. The environmental fund has two accounts (1) nonpoint and (2) environmental management. While the two accounts are tracked separately, they are statutorily maintained as one fund. The environmental management account receives revenues from a variety of sources including a temporary motor vehicle environmental impact fee, solid waste tonnage fees, pesticide fees, petroleum inspection fees and hazardous spills reimbursements from responsible parties. The fees are used primarily for DNR and other agencies' activities related to administration of environmental response and repair, enforcement, prevention, cleanup administration, brownfields liability determination and groundwater management, and fund 103.6 DNR positions in 2000-01. The largest individual appropriation from the account is for the brownfields grant program in the Department of Commerce.

9. The bill requires the transfer of \$5.1 million from the environmental fund to the general fund. DOA officials indicate the intent is to transfer the June 30, 2001, balance remaining in the nonpoint account to the general fund. However, the estimated balance of the nonpoint account on June 30, 2001, after considering appropriation authority, expenditures from continuing appropriations and encumbrances, is \$4,356,000. Therefore, under the bill, it is estimated that \$744,000 from the environmental management account would be needed to complete the transfer requirement, unless actual spending is less than expenditure authority. Under the bill, the environmental management account is expected to have a June 30, 2003, available balance of \$165,000 (not including the nonpoint transfer requirement). Thus, a \$744,000 transfer would require expenditure reductions or increased revenues totaling \$579,000 in order to maintain a positive balance.

10. As described in a separate Legislative Fiscal Bureau Issue Paper on "Urban Nonpoint and Flood Control Funding (Paper #677)", between \$690,700 and \$918,000 SEG remains in an urban nonpoint and municipal flood control appropriation after all current grant commitments are met. If the minimum \$690,700 in unobligated urban SEG lapsed back to the fund, the nonpoint account would have at least \$5,046,700 available to lapse to the general fund. While DNR would prefer to use the additional SEG for projects that can be funded by bonding revenues, the Committee could choose to lapse the amount to the general fund. Alternatively, the Committee could reduce the transfer amount to the general fund.

### **Staffing Grants**

11. DATCP provides staff funding to counties with a goal of funding an average of three employees per county at up to 100% of salary and fringe benefits for the first position, 70% for a second position and 50% for any additional staff. Funding is allocated to any county Land Conservation Committee with an approved LWRM plan as long as the county board has resolved to match state funds granted for staff with county funds.

12. The statutes do not specify at what match, if any, DATCP provides grants to counties for staff-related training and supplies. The Committee may wish to include staff-related supplies and training in the current matching requirement so that DATCP would provide staff funding to counties with a goal of funding an average of three employees per county at up to 100% of salary, fringe benefits and related costs for the first position, 70% for a second position and 50% for any additional staff.

13. Under 1999 Act 9, grants for county staff in priority watershed areas were consolidated with other DATCP staff funding to counties, and thus are subject to the county matching requirement of 30% for a second staff and 50% for each additional staff. Given the late enactment of the budget and inadequate notice for county budgeting purposes, the matching requirements were not implemented for calendar year 2000 grants to counties. DATCP and DNR have again chosen to delay the full implementation of the law in 2001. Under the 2001 joint final allocation plan, counties receive generally the amount of priority watershed staffing funds received in 2000.

14. By choosing to fund priority watershed staff at previous levels rather than under current requirements, the Departments used available GPR and SEG funding almost entirely for staff and support costs, rather than for cost-sharing water pollution abatement practices that may not be bondable. If current law were followed (by including priority watershed staff in the match requirements), local matching requirements would be expected to increase in a few counties with an associated reduction in state funding. This would allow the state to: (a) provide matching funds to support additional county staff (particularly in counties with fewer than three staff); (b) increase GPR cost-share amounts available for the installation of nonbondable landowner practices (such as nutrient management plans or conservation tillage); or (c) provide additional funding for a combination of staff and cost-shares.

15. Implementing current law (requiring priority watershed staff to be funded subject to statutory matching requirements) would require seven counties (Brown, Dodge, Fond du Lac, Marathon, Sauk, Sheboygan and Trempealeau) with numerous priority watershed staff to either increase local funding or reduce county conservation staff to meet match requirements. As shown in the attachment, according to DATCP, these seven counties would need to provide an average of \$118,300 in additional funds to meet matching requirements while maintaining previous expenditure levels. Other counties currently provide adequate funding to meet match requirements.

16. Some may argue that priority watershed counties should continue receiving staffing grant amounts allocated in the past, since some counties may have anticipated receiving this amount for the duration of their priority watershed projects. Further, county staff costs have increased annually, while state staffing grants generally have remained level, so counties currently are providing more than 10% of staffing costs in priority watershed areas.

17. Beginning in 1998, state law required all new nonpoint pollution abatement watershed or special projects to include a local assistance grant (staffing) match of at least 30% (a maximum state grant of 70%). Further, based on available funds and the 1997 directive to provide nonpoint funding for staff in all counties, DNR capped staff spending for 1998 and 1999 at 90% of the 1997 level. Thus, counties were required to provide a match of at least 10% for existing watershed staff. Under a DNR financing plan approved by the Land and Water Conservation Board, this local match was to be gradually increased until counties would be required to provide 30% of staff costs by 2004.

18. It was thought that increasing local match requirements would help ensure local government commitment and oversight of projects and would stretch limited state dollars, allowing funding for a greater number of county staff. In addition, some believed local government commitment to the watershed program should be more consistent with landowner obligations where farmers and other landowners generally fund 30% to 50% of the cost of installing best management practices. Further, some have noted that, historically, state funding for local administration of the program (staffing and supplies) typically equaled or exceeded funding for the actual installation of pollution abatement practices.

19. An alternative to current match requirements would be to allow a transition to higher



matching requirements in priority watershed counties. For example, the Committee could consider allowing DATCP to provide staffing grants for continuing priority watershed projects in 2002 at 90% of the amount that was provided to that county in 2000 for such staffing grants, in 2003, at 80% of the amount that was provided to that county in 2000 for such staffing grants and in 2004, at 70% of the amount that was provided to that county in 2000 for such staffing grants. Under this alternative, beginning in 2005, the current statutory match requirements would be uniformly implemented.

20. However, as shown in the attachment, the vast majority of counties currently are providing enough local funding to meet match requirements. In fact, DATCP estimates that in 1999, counties provided over \$10.3 million that would qualify as matching funds, while the total required amount under current law for matches in 2001 was \$5.6 million.

21. Funding of \$904,800 annually is allocated for 30 DATCP staff and associated costs to administer land and water resource management program activities. Additionally, GPR provided for landowner cost-sharing and county staffing grants, including funding for priority watershed staff, would be \$9,847,000 annually under the bill (an average of \$136,800 each year, per county).

### **Appropriation Structure**

22. Under current law, grant funding is appropriated to DATCP under an annual SEG appropriation and a continuing GPR appropriation. Under the Governor's recommendation, the grant funding would be consolidated into a single, continuing GPR appropriation. While a continuing appropriation provides the Department with greater flexibility in spending, it also limits legislative review and may make it more difficult to anticipate, control and track program expenditures. An annual appropriation would allow for more legislative oversight. Further, under an annual appropriation, amounts not expended or encumbered at the end of the fiscal year are lapsed to the general fund. As another alternative, the Committee could choose to convert the appropriation to biennial, which would allow DATCP to transfer expenditure authority between fiscal years in the same biennium with DOA approval. However, the Legislature could set biennial expenditure authority and thereby limit expenditures to the amounts appropriated in the biennium, subject to modification after legislative review.

23. In the past, the Department desired to maintain a continuing appropriation in part because grants were for landowner cost-share reimbursements, which were difficult to predict. However, in the 2001 joint final allocation plan, DATCP is using all of its GPR and SEG monies for county staffing grants. These grants, by their nature, are more stable and thus easier to budget. Further, DNR has provided similar grants to counties for staff and landowner cost-shares from biennial appropriations. DATCP's GPR grants continuing appropriation could be converted to an annual or biennial appropriation.

24. Further, if the GPR grants appropriation were converted to an annual or biennial appropriation, the state could see a benefit to the general fund from annual or biennial lapses of the account balance. Generally, such a lapse from an annual appropriation could be estimated at 1% per

year, or a benefit to the general fund of approximately \$100,000 each year. Historically, counties on average have spent 95% of state funding for staff, supplies and training. However, if the appropriation were converted to an annual or biennial, the Department would likely be able to encumber some of the unspent funds. In the past, DATCP has used unspent amounts (county underspending) to increase staffing and cost-share grants for the next year. While converting from a continuing appropriation to annual would provide additional revenues to the general fund, unspent funds would no longer be available in future years to increase county staffing grants.

### **Priority Watershed Funding Extensions**

25. The bill would prohibit DNR and the Land and Water Conservation Board from extending funding for a designated priority watershed or priority lake project beyond the funding termination date established either prior to January 1, 2001, or, if no funding termination date was set before January 1, 2001, the funding termination date first established after December 31, 2000. This provision is intended to allow for an orderly termination of priority watersheds and to allow available funding to be shifted to countywide and targeted runoff programs under the redesigned nonpoint program. According to DNR, all projects had a termination date as of January 1, 2001. Further, some have expressed concern that the language in the bill would allow funding termination dates to be based on any funding termination date set prior to January 1, 2001, rather than the date that was in effect on January 1, 2001. Since many watershed ending dates were extended in prior years, the Committee may wish to clarify that the ending date for a nonpoint source grant agreement period under the bill is the one that was in effect on January 1, 2001.

26. Further, DNR officials have expressed concern that, under the bill, funding would not be available for some grantees that may run into project construction delays in the last year of a grant period. They fear that projects may go unfinished if funding is not extended for an additional year for projects that were delayed for good cause. Thus, the Committee could choose to allow for an additional year of funding on a one-time basis for individual landowners who have agreed to install a practice but encountered a delay in implementation caused by conditions beyond the control of the landowner, such as inclement weather or the availability of contractors.

27. Others would argue that since individual landowner contracts have a specified project end date, they should be held to that date. In addition, providing additional cost-sharing dollars for water pollution abatement projects may lead some counties to expect additional staffing dollars for extended projects as well. Further, providing additional staffing dollars after a priority watershed project has passed its termination date could encourage delaying implementation of a project in order to receive additional state staffing dollars. One option to address these concerns would be to prohibit DATCP from providing staffing grants for continuing priority watershed projects beyond the ending date for the nonpoint source grant agreement period that was in effect on January 1, 2001.

## ALTERNATIVES TO BASE

### A. Nonpoint Fund Conversion

1. Approve the Governors recommendation to convert \$5,167,700 SEG in 2001-02 and \$5,168,700 SEG in 2002-03 with 16.5 DNR positions and \$4,876,100 SEG annually with 11.0 DATCP positions from the nonpoint account of the environmental fund to GPR and make related appropriation changes, including repealing a supplemental title fee matching GPR sum sufficient appropriation that was estimated at \$10.7 million annually and related provisions that deposit GPR in an amount equal to the annual revenues generated from the \$7.50 automobile title transfer fee to the segregated nonpoint account of the environmental fund.

<u>Alternative A1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base) <i>[Change to Bill]</i>	\$0 \$0	- \$21,400,000 \$0	- \$21,400,000 \$0]
<b>2001-03 FUNDING</b> (Change to Base) <i>[Change to Bill]</i>	- \$1,311,600 \$0	- \$20,088,600 \$0	- \$21,400,000 \$0]
<b>2002-03 POSITIONS</b> (Change to Base) <i>[Change to Bill]</i>	27.50 0.00	- 27.50 0.00	0.00 0.00]

2. Maintain current law. (The GPR transfer to the nonpoint account would continue based on revenues generated from the \$7.50 title transfer fee estimated at \$11 million in 2001-02 and \$11.1 million in 2002-03.)

<u>Alternative A2</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base) <i>[Change to Bill]</i>	\$0 \$0	\$0 \$22,100,000	\$0 \$22,100,000]
<b>2001-03 FUNDING</b> (Change to Base) <i>[Change to Bill]</i>	\$700,000 \$2,011,600	\$0 \$20,088,600	\$700,000 \$22,100,000]
<b>2002-03 POSITIONS</b> (Change to Base) <i>[Change to Bill]</i>	0.00 - 27.50	0.0 27.50	0.00 0.00]

### B. Environmental Fund Transfer

1. Transfer \$5,100,000 from the environmental fund to the general fund. (The bill would zero out the balance of the nonpoint account and either require the lapse of \$744,000 SEG in unspent 2000-01 nonpoint account funds, the transfer of \$744,000 from the environmental management account or a combination of the two.)

<u>Alternative B1</u>	<u>GPR</u>	<u>SEG</u>	<u>TOTAL</u>
<b>2001-03 REVENUE</b> (Change to Base) <i>[Change to Bill]</i>	\$5,100,000 \$0	- \$5,100,000 \$0	\$0 \$0]

2. Transfer \$5,274,100 from the environmental fund to the general fund. (\$5,274,100 is the estimated balance of the nonpoint account assuming \$918,100 SEG in the urban program lapses in 2000-01.)

<b>Alternative B2</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$5,274,100	- \$5,274,100	\$0
<i>[Change to Bill]</i>	<i>\$174,000</i>	<i>- \$174,000</i>	<i>\$0]</i>

3. Transfer \$4,521,000 from the environmental fund to the general fund. (\$4,521,000 is the estimated balance of the environmental fund, including \$165,000 from the environmental management account, assuming all appropriations are encumbered or spent in 1999-01.)

<b>Alternative B3</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$4,522,000	- \$4,522,000	\$0
<i>[Change to Bill]</i>	<i>- \$578,000</i>	<i>\$578,000</i>	<i>\$0]</i>

4. Transfer \$4,356,000 from the environmental fund to the general fund. (\$4,356,000 is the estimated balance of the nonpoint account assuming all appropriations are encumbered or spent in 1999-01.)

<b>Alternative B4</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$4,356,000	- \$4,356,000	\$0
<i>[Change to Bill]</i>	<i>- \$744,000</i>	<i>\$744,000</i>	<i>\$0]</i>

5. Maintain current law.

<b>Alternative B5</b>	<b>GPR</b>	<b>SEG</b>	<b>TOTAL</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$0	\$0	\$0
<i>[Change to Bill]</i>	<i>- \$5,100,000</i>	<i>\$5,100,000</i>	<i>\$0]</i>

### C. Appropriation Structure

1. Change DATCP's land and water resource management GPR grant appropriation from continuing to an annual appropriation.

<b>Alternative C1</b>	<b>GPR</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$196,900
<i>[Change to Bill]</i>	<i>\$196,900]</i>

2. Change DATCP's land and water resource management GPR grant appropriation from continuing to a biennial appropriation.

<b>Alternative C2</b>	<b>GPR</b>
<b>2001-03 REVENUE</b> (Change to Base)	\$98,500
<i>[Change to Bill</i>	<i>\$98,500]</i>

3. Maintain current law.

**D. Staffing Grant Match Requirements**

1. Include staff-related training, supplies and services in the current matching requirement so that counties would provide matching funds of at least 30% of salary, fringe benefits and related costs for a second position, and at least 50% of salary, fringe benefits and related costs for any additional staff.

2. Allow DATCP to provide staffing grants of up to the greater of current law levels or the following percentages of the amount that was provided to that county in 2000 for funding related to each continuing priority watershed project staffing grant:

- a. 90% in 2002, 80% in 2003 and 70% in 2004.
- b. 90% in 2002, 85% in 2003, 80% in 2004 and 75% in 2005.
- c. 95% in 2002, 90% in 2003, 85% in 2004 and 80% in 2005.

(This alternative would allow priority watersheds to phase into the current match requirements.)

**E. Priority Watershed Funding Extensions**

1. Approve the Governor's recommendation to prohibit DNR and the Land and Water Conservation Board (LWCB) from extending funding for a designated priority watershed or priority lake project under the nonpoint water pollution abatement program beyond the funding termination date established prior to January 1, 2001, or if no funding termination date was set before January 1, 2001, the funding termination date first established after December 31, 2000. Further, require DNR to submit final priority watershed plans to the LWCB for approval (rather than receiving LWCB approval of an earlier draft), and prohibit DNR from implementing the plan without LWCB approval.

2. Modify the Governor's recommendation to prohibit DNR from extending funding for a designated priority watershed or priority lake project under the nonpoint water pollution

abatement program beyond the ending date for the nonpoint source grant agreement period that was in effect on January 1, 2001, unless DNR determines a delay in implementation was caused by conditions beyond the control of the landowner such as inclement weather or the availability of contracts. If DNR determines that such a delay occurred, allow DNR to extend the funding termination date for up to one year.

3. Modify the Governor's recommendation to prohibit DATCP from providing staffing grants for continuing priority watershed projects beyond the ending date for the nonpoint source grant agreement period that was in effect on January 1, 2001.

4. Maintain current law.

Prepared by: David Schug  
Attachment

## ATTACHMENT

### Current Law County Match That Would Be Required for 2001 Staff Allocations

<u>County</u>	<u>Estimated Total Staff Costs (CY 2000)</u>	<u>Total 2001 Final Staffing Allocation</u>	<u>Maximum Match (\$50,000 per position salary cap)</u>	<u>Available County Match (1999 Annual Financial Report)</u>	<u>Available Match Less Maximum Match</u>
Adams	\$201,941	\$135,895	\$65,895	\$176,848	\$110,953
Ashland	N.A.	51,740	746	36,799	36053
Barron	240,311	98,746	28,746	135,143	106,397
Bayfield	N.A.	56,575	2,818	27,550	24,732
Brown	796,008	610,765	540,765	315,786	-224,979
Buffalo	312,833	240,432	170,432	197,898	27,466
Burnett	137,500	77,887	11,952	119,438	107,486
Calumet	335,569	103,968	33,968	83,619	49,651
Chippewa	436,251	311,026	241,026	290,881	49,855
Clark	187,482	53,371	1,445	129,818	128,373
Columbia	309,693	158,455	88,455	170,924	82,469
Crawford	116,925	53,098	1,328	63,209	61,881
Dane	830,620	260,920	190,920	703,809	512,889
Dodge	322,143	267,570	197,570	117,233	-80,337
Door	484,605	259,065	189,065	253,343	64,278
Douglas	N.A.	72,834	9,786	14,192	4,406
Dunn	500,313	148,449	78,449	264,020	185,571
Eau Claire	478,275	84,574	14,817	146,253	131,436
Florence	38,604	48,150	0	12,866	12,866
Fond du Lac	415,996	321,084	251,084	89,953	-161,131
Forest	51,998	48,135	0	11,212	11,212
Grant	295,101	177,461	107,461	213,230	105,769
Green	203,346	75,829	11,070	122,792	111,722
Green Lake	257,783	60,672	4,574	198,090	193,516
Iowa	184,038	97,454	27,454	151,529	124,075
Iron	N.A.	51,740	746	12,362	11,616
Jackson	185,715	123,865	53,865	80,407	26,542
Jefferson	298,549	85,197	15,197	203,238	188,041
Juneau	101,250	49,750	0	54,875	54,875
Kenosha	122,454	49,750	0	45,269	45,269
Kewaunee	233,655	87,393	17,393	185,909	168,516
LaCrosse	319,316	98,195	28,195	239,941	211,746
Lafayette	260,565	157,642	87,642	137,020	49,378
Langlade	63,833	65,819	6,780	14,733	7,953
Lincoln	137,155	72,852	9,794	70,111	60,317

<u>County</u>	<u>Estimated Total Staff Costs (CY 2000)</u>	<u>Total 2001 Final Staffing Allocation</u>	<u>Maximum Match (\$50,000 per position salary cap)</u>	<u>Available County Match (1999 Annual Financial Report)</u>	<u>Available Match Less Maximum Match</u>
Manitowoc	\$480,833	\$258,829	\$188,829	\$194,221	\$5,392
Marathon	450,777	285,992	215,992	137,879	-78,113
Marinette	242,332	126,680	56,680	140,950	84,270
Marquette	164,413	49,750	0	14,878	14,878
Milwaukee	129,333	49,750	0	62,483	62,483
Monroe	178,800	109,163	39,163	111,332	72,169
Oconto	155,274	106,283	36,283	81,527	45,244
Oneida	98,640	58,973	3,846	38,965	35,119
Outagamie	401,832	209,109	139,109	174,693	35,584
Ozaukee	281,260	179,066	109,066	113,648	4,582
Pepin	115,559	70,291	8,696	147,307	138,611
Pierce	238,529	98,214	28,214	216,146	187,932
Polk	426,659	255,784	185,784	240,920	55,136
Portage	192,829	135,489	65,489	89,084	23,595
Price	394,700	60,869	4,658	48,802	44,144
Racine	123,658	58,202	3,515	85,812	82,297
Richland	141,694	85,320	15,320	88,317	72,997
Rock	188,045	90,085	20,085	100,046	79,961
Rusk	247,987	124,085	54,085	100,154	46,069
St. Croix	442,021	215,100	145,100	331,078	185,978
Sauk	540,221	351,998	281,998	194,642	-87,356
Sawyer	99,901	66,372	7,017	77,038	70,021
Shawano	174,375	77,260	11,683	99,623	87,940
Sheboygan	396,183	291,330	221,330	166,494	-54,836
Taylor	111,367	67,241	7,389	78,924	71,535
Trempealeau	453,562	392,208	322,208	180,883	-141,325
Vernon	392,168	253,397	183,397	395,761	212,364
Vilas	58,220	52,735	1,172	15,134	13,962
Walworth	368,357	172,554	102,554	195,557	93,003
Washburn	219,004	49,750	0	17,755	17,755
Washington	439,611	222,012	152,012	310,886	158,874
Waukesha	408,265	166,735	96,735	211,952	115,217
Waupaca	355,112	191,960	121,960	165,775	43,815
Waushara	377,610	138,584	68,584	125,791	57,207
Winnebago	407,093	209,195	139,195	356,236	217,041
Wood	<u>243,281</u>	<u>130,989</u>	<u>60,989</u>	<u>104,443</u>	<u>43,454</u>
	\$18,999,333	\$10,177,712	\$5,587,572	\$10,305,436	\$4,717,864