



Legislative Fiscal Bureau

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

May 1, 2003

Joint Committee on Finance

Paper #547

Karner Blue Butterfly Habitat Conservation (DNR -- Forestry and Parks)

[LFB 2003-05 Budget Summary: Page 322, #10]

CURRENT LAW

The Department of Natural Resources entered into an agreement with the U.S. Fish and Wildlife Service in 1999 to implement a statewide habitat conservation plan for the federally endangered Karner blue butterfly. Under the agreement, DNR has the lead responsibility for implementing the conservation plan on state property as well as coordinating conservation efforts with other partner organizations.

GOVERNOR

Provide \$91,800 in 2003-04 and \$84,600 in 2004-05 from the forestry account for LTE support, surveying, monitoring, and reporting project costs related to the implementation and administration of the statewide Karner blue butterfly habitat conservation plan. Funding would also be provided for training costs and outreach education initiatives in conjunction with the conservation plan.

DISCUSSION POINTS

1. Implementation of the habitat conservation plan would ideally result in the preservation and proliferation of the Karner blue butterfly in Wisconsin. Creation and protection of habitat for this species across larger areas would then result in the ability of DNR property managers and other partners to maintain incidental take authority on state owned as well as privately held lands, thus allowing them to continue property management activities that might otherwise be prohibited under federal fish and wildlife regulations due to the presence of an endangered species.

2. Under the federal agreement, a large number of private landowners are automatically (and passively) included in the state's incidental take permit, exempting individual landowners from federal law in regard to the protection of the Karner blue butterfly. The exemption includes the agricultural community, woodland owners with less than 100 acres, and rural residential development. In return for the broad exemption, DNR and other state partners are required to implement an outreach education initiative to increase awareness and encourage voluntary conservation efforts among those included in the exemption categories. Partners in the Karner blue butterfly habitat conservation program include representatives of the forest products industry, county forests, utility providers, DATCP, DOT, and the Nature Conservancy. Under the agreement, DNR is specifically responsible for conservation and recovery measures, surveying, monitoring, and reporting efforts on approximately 270,000 acres of state owned land where the butterfly is known to be present. In addition, DNR is required (among other things) to oversee and enforce the terms of the habitat conservation agreement, develop disturbance avoidance strategies, engage in public education efforts related to the Karner blue butterfly and the habitat conservation plan, and conduct landowner assistance efforts related to the project. Partners in the agreement have agreed to participate in conservation activities and practices relating to the habitat conservation plan on their property, as well as public education and assistance related to the preservation of the species and its habitat. After the third year of the issuance of the incidental take permit, the U.S. Fish and Wildlife Service evaluates the success of the outreach and education effort and the voluntary conservation efforts. The Department is finalizing a three-year report based on data through calendar year 2002, and expects to complete the report before the end of May, 2003. The U.S. Fish and Wildlife Service will then review the report and has the option of sending it out for public comment before responding to DNR with its assessment of the state's progress.

3. The Department indicates that the model for the Karner blue conservation plan is a new approach, emphasizing cooperative conservation efforts over strict regulatory protocol. However, if this voluntary approach is not determined to be effective by federal regulators upon their evaluation of the project, a more stringent regulatory approach may be required by the Fish and Wildlife Service to ensure habitat protection. Under this approach, individual landowners within the Karner blue butterfly habitat range may be required to negotiate and secure individual incidental take permits directly with the federal fish and wildlife service.

4. DNR has the lead responsibility in the state for administering the incidental take permit, coordinating conservation efforts among partner organizations, and implementing the Department's conservation plan on state property within the habitat range of the butterfly. The range of the butterfly is primarily in parts of central to northwestern Wisconsin, but include part or all of the following counties: Adams, Barron, Buffalo, Burnett, Chippewa, Clark, Dunn, Eau Claire, Green, Jackson, Juneau, Marquette, Menominee, Monroe, Oconto, Outagamie, Pepin, Pierce, Polk, Portage, Shawano, St. Croix, Trempealeau, Waupaca, Waushara, Washburn, and Wood. The Karner blue butterfly is dependent on sandy oak savanna and pine barrens habitat, and in its caterpillar stage feeds exclusively on the leaves of the wild blue lupine. The butterfly usually reproduces twice each year, with eggs generally hatching in April and July. Promotion of lupine requires disturbance, such as prescribed burning, grazing, or timber harvest. The key to the habitat conservation plan (and DNR's public education efforts) is timing these practices to avoid direct contact with the butterfly

while promoting conditions favorable to its survival. The Department and its partners seek to implement these practices on their holdings within the habitat conservation area, and to encourage landowners with Karner blue butterflies (or lupine) on their property to do the same.

5. Currently, these efforts are supported by \$55,000 and one position from the forestry account. In addition, the Bureau of Legal Services, Endangered Resources, and various fish and wildlife account supported regional staff have assisted in the development and implementation of the plan. Further, the wildlife management, endangered resources, facilities and lands, parks and southern forests programs have each allocated a portion of their general expenditure authority for shared costs associated with the support of species monitoring and habitat preservation efforts (totaling \$71,000 in 2002-03).

6. While \$71,000 was allocated by these programs for work related to the Karner blue butterfly in 2002-03, less than \$48,000 of the total is expected to be spent in this fiscal year. Expenditures to date total approximately \$24,000 (\$15,000 in LTE hours for surveying, monitoring, and data management efforts and \$9,000 for supplies and services). DNR indicates that it has been difficult to recruit and retain staff with pertinent professional expertise, particularly as they relate to the development of data management programs, to the half-time LTE position available through reallocation.

7. Funding provided under the bill would support an LTE natural resources specialist to undertake surveying and monitoring projects required by federal regulation. Funds would also be used to contract for the training of DNR and partner organization staff on issues relating to the preservation of Karner blue butterfly habitat. Some additional services, such as the outreach and public education initiatives required under the incidental take permit and some training efforts relating to habitat preservation issues, would be contracted for with the funds provided.

8. It may be argued that given the expertise required for the projects related to this program, and the difficulty encountered by the Department in recruiting qualified individuals as LTE staff, that an alternative would be to provide 1.0 permanent position to DNR for program needs related to Karner blue butterfly habitat conservation supported by forestry revenues. The Department could then continue to allocate any additional LTE support that may be retained between the programs contributing support to the shared effort. The Department has indicated that its most pressing unmet need in this area would be for a full-time data manager to develop and maintain databases related to the habitat conservation program and the incidental take permit activity. Annual salary and fringe benefit costs for this position would be approximately \$44,800 annually (\$26,100 in 2003-04). Remaining funding provided under the bill (\$65,700 in 2003-04 and \$39,800 in 2004-05) could provide funds to contract for other program needs, including public education and outreach, surveying and monitoring projects required by federal regulation, and habitat preservation activities.

9. If funding is not provided in the budget, DNR would continue to reallocate existing resources to maintain its current effort.

ALTERNATIVES

1. Provide \$91,800 in 2003-04 and \$84,600 in 2004-05 from the forestry account for LTE support, surveying, monitoring, and reporting costs related to the implementation and administration of the statewide Karner blue butterfly habitat conservation plan. Funding would also be provided for training costs and outreach education initiatives in conjunction with the conservation plan.

2. Adopt the Governor's recommendation. Further, provide 1.0 SEG position beginning in 2003-04.

<u>Alternative 2</u>	<u>SEG</u>
2004-05 POSITION (Change to Bill)	1.00

3. Delete provision.

<u>Alternative 3</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	- \$176,400

Prepared by: Rebecca Hotynski