



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #465

Forester Position (Kickapoo Reserve Management Board)

[LFB 2019-21 Budget Summary: Page 258, #2]

CURRENT LAW

The Kickapoo Valley Reserve (KVR) comprises 8,600 acres of land north of La Farge in Vernon County. The property was the site of a U.S. Army Corps of Engineers dam project that was abandoned in the 1970s. In 2000, the Corps transferred approximately 7,400 acres to the State of Wisconsin, which formed the Kickapoo Reserve Management Board to oversee the land. The Corps transferred another 1,200 acres to the Bureau of Indian Affairs in trust for sites sacred to the Ho-Chunk tribe, which are currently managed by the Kickapoo Reserve Management Board under a memorandum of understanding with the Ho-Chunk nation. The Reserve consists of primarily forest and grassland, including approximately 4,600 acres (53%) in active woodland management and 674 acres (8%) leased for agricultural use.

The Reserve has adjusted base funding of \$977,200 with 4.0 positions. Funding consists of: (a) \$739,400 from the forestry account of the segregated (SEG) conservation fund with 2.75 positions; (b) \$167,900 in program revenues (PR), with 1.0 position, supported by camping and use fees, event and permit fees, timber harvests, agricultural leases, and educational programming; and (c) \$69,400 tribal gaming PR with 0.25 position. Full-time staff include an executive director, executive assistant, property manager, and education coordinator. In 2017-18, the Reserve collected program revenues of \$321,700.

GOVERNOR

Provide 1.0 PR forester position, with \$46,000 PR in 2019-20 and \$60,100 PR in 2020-21, to the Kickapoo Reserve Management Board's program services PR appropriation.

DISCUSSION POINTS

1. The Reserve reports the position would be dedicated to: (a) timber harvest management and restoration (35%); (b) invasive species control (35%); (c) research and education (20%), and (d) flood mitigation and recovery, and general Reserve projects (10%). The proposed position would consolidate work done by a dual limited-term employee (LTE) appointment for a forestry technician and an operations program associate, both of which are currently held by one employee. During favorable weather conditions, the employee engages in forestry work, including invasive species removal and timber stand improvement. During unfavorable conditions, the employee engages in office work related to recordkeeping and scheduling, including: (a) mapping of harvest areas and restoration sites; (b) planning future harvests; and (c) data entry of wildlife, water, and plant field inventory reports. It is expected that duties of the proposed full-time position would generally reflect the work of the current dual LTE appointment.

2. Other KVR staff work on similar activities to the forester. In 2017-18, the Reserve also employed two LTEs dedicated to invasive species removal and timber stand improvement, and its full-time property manager spends an estimated 10% of time on forestry-specific duties. In 2017-18, forestry and land management activities made up approximately 41% of total LTE staff time at the Reserve. KVR staff expect restoration work effort will grow as the Reserve continues implementing invasive species control. Considering the ongoing need for multiple employees' time dedicated to forestry, the Reserve contends there will be sufficient work to hire a full-time employee, with additional LTEs hired as necessary.

3. The Reserve argues that a full-time forester would allow for more efficient and timely forestry work on the Reserve, as it is difficult to schedule LTEs due to variable weather and seasonal dependence of work. For example, the majority of timber harvests occur during favorable weather in winter when loggers can access timber stands on frozen ground. Further, herbicide application to limit invasive species occurs during fall, prior to the first frost, and certain timber stand improvement must occur October through March to prevent the spread of disease. In each instance, work is dependent on specific outdoor conditions, which may not easily be predicted weeks or months in advance. As a result, KVR management argues it is difficult to plan and schedule work of seasonal LTEs, as well as recruit and retain them with an unusual work schedule. A full-time forester would have the consistent availability to manage the seasonal and weather variability of forestry activities, as it has flexibility to work both indoors and outside. KVR management reports it would still intend to hire LTEs to conduct forestry and land management activities during heightened seasonal need, typically in summer.

4. In fall 2018, the Reserve experienced significant flooding, which resulted in damage to Reserve property, including washed-out trails, sinkholes, downed trees, damaged signage and boundary markers, debris accumulating under bridges, erosion at parking lots and river access sites, and other infrastructure damage. Subsequently, the Reserve submitted a request to the Joint Committee on Finance under s. 13.10 of the statutes for additional funding for flood recovery efforts. At the time, KVR reported it would not have sufficient program revenue reserves or appropriated forestry SEG to fund flood recovery efforts in addition to its continued operating costs. Due to an anticipated shortfall in KVR appropriations by fiscal year end, the Committee authorized additional

funding of \$37,800 forestry SEG for flood recovery costs.

5. KVR management reports that this shortfall in 2018-19 reflected a confluence of factors. Payments in July, 2018, associated with previously planned resurfacing work on the final phase of improvements to the Old Highway 131 Trail, a major multi-use trail in the Reserve, required upfront funding of approximately \$123,000. KVR reports the Department of Administration had previously allowed small agencies to carry forward payments to when a project was completed. Because funding was provided upfront, the Reserve lacked budget flexibility when flooding occurred later that fall. Further, flooding necessitated increased expenditures for additional LTE labor, supplies, and infrastructure repair costs. KVR management expects that future annual expenditures will be lower, as it does not anticipate further capital expenditures, and costs associated with flooding were one-time.

6. If the position were authorized, Reserve management would eliminate the two LTE appointments the position would consolidate. The Governor's proposal would provide \$46,000 PR in 2019-20 and \$60,100 PR in 2020-21 to the KVR program services PR appropriation. Under current law, the appropriation is authorized to expend all monies received on a continuing basis, meaning amounts in the schedule of appropriations reflect estimated expenditures. As spending associated with LTE salaries would be reduced when the two LTEs are consolidated, spending on LTE salaries for the positions would no longer be necessary. Thus, the Committee could provide the position, but reestimate its cost at \$29,400 PR each year of the 2019-21 biennium, which would reflect the differential between decreased LTE salary costs and increased fringe benefit and supplies and services costs (Alternative 2).

7. In addition to PR, the Reserve would be budgeted general program operations expenditures of \$452,300 each year of the 2019-21 biennium from forestry SEG. The forestry account supports: (a) management and operations of state forest lands; (b) forest health and productivity, including administration of the managed forest law program and assistance to county forest administrators; (c) prevention, detection, and suppression of forest fires; (d) grants, loans, and payments to certain towns, counties, and private forest owners; (e) tree nursery operations; and (f) a portion of DNR administrative costs. Forestry account revenues are derived primarily from an annual transfer from the state general fund equal to 16.97¢ per \$1,000 of equalized property value in the state. Other revenues include: (a) timber harvests in state forests; (b) vehicle admissions and campground reservations in state forests; and (c) other miscellaneous revenues. The forestry account is expected to have an available closing balance exceeding \$30 million on June 30, 2021, under the Governor's proposal. Although the Kickapoo Valley Reserve is not designated as a state forest, the proposed activities of the position would reflect similar efforts to manage and operate state-owned forestland, and improve state-owned forest health and productivity.

8. Given that a full-time forester position would allow for more consistent forestry management and planning, and reduce issues related to recruiting and scheduling LTEs, the Committee could consider the Governor's proposal to provide 1.0 forester position with \$46,000 PR in 2019-20 and \$60,100 PR in 2020-21 (Alternative 1). The Committee could also consider providing the 1.0 PR position but reestimating expenditures at \$29,400 annually to reflect reduced costs associated with LTE salaries (Alternative 2). Given that the duties of the proposed position are closely

aligned with current forestry account activities, the Committee could consider providing 1.0 forestry SEG position and funding of \$29,400 forestry SEG each year of the 2019-21 biennium (Alternative 3). Given concerns about availability of PR funding, the Committee could also consider taking no action (Alternative 4).

ALTERNATIVES

1. Adopt the Governor's proposal to provide 1.0 forester position with \$46,000 PR in 2019-20 and \$60,100 PR in 2020-21 in the Kickapoo Valley Reserve program services PR appropriation.

| ALT 1 | Change to Base | | Change to Bill | |
|-------|----------------|-----------|----------------|-----------|
| | Funding | Positions | Funding | Positions |
| PR | \$106,100 | 1.00 | \$0 | 0.00 |

2. Provide 1.0 forester position with \$29,400 PR annually in KVR's program services PR appropriation to reflect reduced costs associated with LTE salaries.

| ALT 2 | Change to Base | | Change to Bill | |
|-------|----------------|-----------|----------------|-----------|
| | Funding | Positions | Funding | Positions |
| PR | \$58,800 | 1.00 | -\$47,300 | 0.00 |

3. Provide 1.0 forester position with \$29,400 conservation fund (forestry account) SEG annually in KVR's general program operations SEG appropriation.

| ALT 3 | Change to Base | | Change to Bill | |
|-------|----------------|-------------|----------------|-------------|
| | Funding | Positions | Funding | Positions |
| PR | \$0 | 0.00 | -\$106,100 | - 1.00 |
| SEG | <u>58,800</u> | <u>1.00</u> | <u>58,800</u> | <u>1.00</u> |
| Total | \$58,800 | 1.00 | -\$47,300 | 0.00 |

4. Take no action.

| ALT 4 | Change to Base | | Change to Bill | |
|-------|----------------|-----------|----------------|-----------|
| | Funding | Positions | Funding | Positions |
| PR | \$0 | 0.00 | -\$106,100 | - 1.00 |

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