



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

June, 2021

Joint Committee on Finance

Paper #431

Tribal Gaming Appropriations (Natural Resources -- Departmentwide)

[LFB 2021-23 Budget Summary: Page 417, #4]

CURRENT LAW

The Department of Natural Resources (DNR) receives \$4,689,000 tribal gaming PR annually. \$3 million of this is deposited in the fish and wildlife account of the segregated (SEG) conservation fund for general fish and wildlife operations. The remaining \$1,689,000 is divided between the following appropriations in the 2020-21 fiscal year:

DNR Tribal Gaming Appropriations -- 2020-21

<u>Purpose</u>	<u>Appropriation</u>	<u>Amount</u>	<u>Positions</u>
Elk Management	20.370(1)(hk)	\$125,700	0.50
Fisheries Management -- Off-Reservation Areas	20.370(1)(kk)	165,900	2.00
Whooping Crane Reintroduction	20.370(1)(Lk)	80,700	0.50
Snowmobile Law Enforcement	20.370(3)(ak)	1,232,200	9.00
Payments to the Lac du Flambeau Band -- Tribal Hunting and Fishing License Issuance	20.370(9)(hk)	84,500	0.00
Total		\$1,689,000	12.00

DISCUSSION POINTS

1. Tribal gaming revenue paid to the state is based on provisions under state-tribal compacts. The first draw on gaming revenue is to state agencies for programs that generally benefit tribal communities and promote tourism. Remaining revenues are deposited in the general fund.

2. Assembly Bill 68/Senate Bill 111 would eliminate the following three tribal gaming appropriations, totaling \$1,496,600 PR and 10.0 positions in DNR, funding them through conservation fund SEG: elk management, whooping crane reintroduction, and snowmobile law enforcement.

Elk Management

3. In 1995, DNR released 25 elk near Clam Lake, in Ashland County, beginning the process of restoring a native species that had been extirpated from the state since at least the 1880s. One goal of the elk reintroduction program was to establish a herd that would be large enough to sustainably support a hunting season, which could increase tourism to the state. 1999 Wisconsin Act 9, the 1999-2001 biennial budget, first appropriated tribal gaming PR to manage the reintroduction of elk to the state.

4. Since 1995, DNR has introduced a second elk herd to the state, in Jackson County, and the Clam Lake herd has grown large enough to support a hunting season. DNR received 27,984 applications for five bull elk harvest authorizations for the 2020 hunt. An additional five harvest authorizations were allotted to Wisconsin tribes. Elk hunting applications and licenses raised \$230,400 for a continuing appropriation of the fish and wildlife account of the SEG conservation fund in 2018-19 and \$279,900 in 2019-20. The elk management appropriation had a June 30, 2020, balance of \$618,000.

5. If the Committee wished to transfer elk management costs from tribal gaming PR to conservation SEG, the Committee could consider providing \$128,700 SEG and 0.50 position to an existing fish and wildlife SEG appropriation rather than a new annual appropriation funded from the account, as under AB 68/SB 111. The Committee could consider providing funding in: (a) the continuing appropriation under s. 20.370 (1)(hq) of the statutes, funded from elk hunting license fees [Alternative A1a]; or (b) the annual appropriation for wildlife management general operations under s. 20.370(1)(mu) [Alternative A1b].

6. It is likely the elk herds are a state tourism draw, whether for wildlife viewing or hunting. Further, elk are a culturally significant species to Wisconsin native tribes. Under this perspective, it could be argued that tribal gaming PR should continue to fund elk management. The Committee could take no action to transfer elk management funds from tribal gaming PR. [Alternative A2]

Whooping Crane Reintroduction

7. The Cornell Lab of Ornithology estimates that as recently as 1940, the whooping crane's population had declined to as few as 20 birds. After decades of captive breeding and innovative practices to teach crane chicks how to migrate, the crane's population is estimated to number around 600 today. The Necedah National Wildlife Refuge, in Juneau County, is home to one of only four whooping crane populations in the nation, and one of only two migratory crane populations. 1999 Act 9 provided funding for 0.5 position to manage crane reintroduction in the Wisconsin. Under current law and Committee action, the partial position and related crane reintroduction program costs would be funded at \$83,000 in each year of the 2021-23 biennium.

8. While the whooping crane's population has made a significant recovery, they remain on the U.S. endangered species list. The Cornell Lab of Ornithology estimates that the crane's population would need to double to justify downgrading the species to "threatened" status. DNR manages endangered and threatened species through the Natural Heritage Conservation (NHC) Bureau.

9. The NHC Bureau aims to identify, protect and manage native plant and animal species, natural communities and other natural features, as well as to enhance and restore populations and habitats of rare or endangered species. Donations and voluntary payments from the public for natural heritage conservation are statutorily matched with up to \$500,000 GPR annually from a sum-sufficient appropriation. Given the statewide importance of preserving threatened and endangered species, the Committee could consider creating a GPR appropriation for whooping crane reintroduction and management and transferring \$83,000 tribal gaming PR and 0.5 position annually. [Alternative B1]

10. State NHC programming is supported in part by the endangered resources account of the conservation fund. The account consists of several continuing appropriations with dedicated revenue sources including voluntary income tax checkoffs, endangered resources license plate sales, gifts and donations, and fees for wild rice and wild ginseng permits and licenses. The primary endangered resources SEG operations appropriation had a June 30, 2020, balance of \$1.1 million.

11. DNR indicates under AB 68/SB 111 it would intend to expend crane reintroduction funds from endangered resources SEG. Given the balance of the account and the conservation status of the whooping crane, the Committee could consider transferring \$83,000 and 0.5 position from tribal gaming PR by either: (a) providing funding and positions to the endangered resources SEG appropriation under s. 20.370 (1)(fs) [Alternative B2], or (b) creating a separate endangered resources SEG annual appropriation for whooping crane reintroduction and management, to be funded from a transfer from 20.370 (1)(fs) [Alternative B3]. Alternatively, the Committee could take no action and continue funding whooping crane reintroduction and management from tribal gaming PR. [Alternative B4]

Snowmobile Safety and Enforcement

12. Currently, 9.0 positions and \$1,284,900 are budgeted from tribal gaming PR for snowmobile enforcement and safety training through Committee action to date. At least four memoranda of understanding on uses of tribal gaming revenue with the tribes specified that public safety and law enforcement were acceptable uses. DNR is budgeted an additional \$119,700 from the snowmobile account of the SEG conservation fund for snowmobile enforcement and safety annually in the 2021-23 biennium under Committee action to date. AB 68/SB 111 would transfer 9.0 positions and funding to the SEG snowmobile enforcement appropriation.

13. It is estimated on June 30, 2021, the snowmobile account of the SEG conservation fund will have an available balance of \$4.65 million. (The account condition is shown in a separate issue paper under "Natural Resources -- Motorized Recreation.") In 2019-20, revenues to the account exceeded expenditures by approximately \$20,300. DNR notes that revenues to the snowmobile account have generally increased each year. For instance, DNR projects both registration fee and trail pass revenues to increase in 2021-23 biennium. The Committee could consider increasing SEG

snowmobile enforcement and safety by \$1,232,200 and 9.0 positions annually, transferring funds off tribal gaming. [Alternative C1]

14. Other items under Committee consideration would increase expenditures from the snowmobile account. For instance, AB 68/SB 111 would allow DNR to increase expenditures for county snowmobile projects by \$200,000 annually. If the Committee authorizes other ongoing expenditures from the account, budgeted expenditures could exceed revenues in the biennium and reduce the available balance. Under this perspective, the Committee could take no action. [Alternative C2]

ALTERNATIVES

A. Elk Management

1. Provide \$128,700 SEG and 0.5 position annually from the conservation fund for elk management, and repeal the tribal gaming PR appropriation for elk introduction and management. Specify funding in one of the following appropriations:

ALT A1	Change to Base	
	Funding	Positions
SEG	\$257,400	0.50
PR	<u>- 257,400</u>	<u>- 0.50</u>
Total	\$0	0.00
GPR-Rev	\$257,400	

- a. The continuing appropriation under s. 20.370 (1)(hq) for elk hunting fees; or
 - b. Wildlife management general operations under s. 20.370(1)(mu).
2. Take no action.

B. Whooping Crane Reintroductions

1. Create a general fund appropriation for whooping crane reintroduction and management. Provide \$83,000 GPR and 0.5 position annually. Repeal the tribal gaming PR appropriation for whooping crane introduction and management.

ALT B1	Change to Base	
	Funding	Positions
GPR	\$166,000	0.50
PR	<u>- 166,000</u>	<u>- 0.50</u>
Total	\$0	0.00
GPR-Rev	\$166,000	

2. Provide \$83,000 SEG and 0.5 position each year for whooping crane reintroduction and management to the conservation SEG continuing appropriation under s. 20.370(1)(fs). Repeal the tribal gaming PR appropriation for whooping crane introduction and management.

ALT B2	Change to Base	
	Funding	Positions
SEG	\$166,000	0.50
PR	<u>- 166,000</u>	<u>- 0.50</u>
Total	\$0	0.00
GPR-Rev	\$166,000	

3. Create a conservation SEG annual appropriation from the endangered resources account for whooping crane reintroduction and management, to be funded from revenues received from the appropriation under s. 20.370(1)(fs). Provide \$83,000 SEG and 0.5 position annually. Repeal the tribal gaming PR appropriation for whooping crane introduction and management.

ALT B3	Change to Base	
	Funding	Positions
SEG	\$166,000	0.50
PR	<u>- 166,000</u>	<u>- 0.50</u>
Total	\$0	0.00
GPR-Rev	\$166,000	

4. Take no action.

C. Snowmobile Safety and Enforcement

1. Increase funding for conservation fund-supported snowmobile safety and enforcement by \$1,232,200 SEG and 9.0 positions annually. Delete the tribal gaming PR appropriation for snowmobile safety and enforcement.

ALT C1	Change to Base	
	Funding	Positions
SEG	\$2,464,400	9.00
PR	<u>- 2,464,400</u>	<u>- 9.00</u>
Total	\$0	0.00
GPR-Rev	\$2,464,400	

2. Take no action.

Prepared by: Eric R. Hepler