



## Legislative Fiscal Bureau

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May 18, 2023

Joint Committee on Finance

Paper #185

### **County Conservation Staff and Program Expansion (Agriculture, Trade and Consumer Protection – Environment)**

[LFB 2023-25 Budget Summary: Page 66, #1]

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#### **CURRENT LAW**

Since 1987, the Department of Agriculture, Trade and Consumer Protection (DATCP) has disbursed state funds to county land conservation committees to support activities that prevent soil erosion and runoff of nutrients and pollutants into waters of the state. County conservation staff activities eligible for funding include: (a) implementation of land and water resource management plans, which are required of every county by statute to identify local objectives for soil and water conservation; (b) conservation practice engineering, design, and installation; (c) cost-share grant administration; (d) farmland preservation program administration; and (e) livestock regulation. Counties submit funding requests each spring, and grant awards are finalized in fall for the subsequent calendar year. Grants to counties for conservation staff are provided on a reimbursement basis.

Grants are awarded in a tiered process, providing each county a base allocation of \$75,000. As available, remaining funding is allocated to provide for 100% funding of a county's first position, 70% of a second position, and 50% for each position thereafter, with counties providing the difference. Conservation staffing grants are funded by DATCP with GPR and funding from the nonpoint account of the segregated (SEG) environmental fund. During the 2021-23 biennium, grants are budgeted at \$11,030,000, including \$3,715,800 GPR and \$7,314,200 nonpoint SEG in 2022, and \$11,280,000, including \$3,799,200 GPR and \$7,480,800 nonpoint SEG in 2023. Base funding for the program is \$3,027,200 GPR and \$5,936,900 nonpoint SEG annually in the 2023-25 biennium.

## DISCUSSION POINTS

1. County conservation staff are the first point of contact for landowners who would implement conservation practices to limit soil erosion and nonpoint source water pollution. DATCP and counties have argued preserving funding for county conservation staffing grants retains continuity in personnel that provide landowners with expertise and technical assistance necessary to meet soil and water conservation standards. In the event a landowner is not in compliance with state soil and water conservation standards, the landowner may be more willing to contact county staff with whom the landowner has a long-term working relationship. Further, county conservation staff represent the primary avenue for allocating state nonpoint source pollution abatement and soil and water conservation grants to landowners, and assisting in implementing the practices and designs necessary to achieve effective use of grant funding.

2. Table 1 shows recent DATCP county conservation staffing grant funding by fund source. The table shows base and one-time funding amounts in each year since the inception of the program. Amounts for 2023 and 2025 reflect Assembly Bill 43/Senate Bill 70 as introduced.

**TABLE 1**

### County Conservation Staffing Funding

<u>Fiscal Year</u>	<u>GPR</u>		<u>Nonpoint SEG</u>		<u>Annual Total</u>
	<u>Base</u>	<u>One-Time</u>	<u>Base</u>	<u>One-Time</u>	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024 (Bill)	3,027,200	2,766,800	5,936,900	3,369,100	15,100,000
2025 (Bill)	3,027,200	2,970,800	5,936,900	3,765,100	15,700,000

3. In 2021, the most recent year for which county reporting is available, DATCP funding supported 115.19 positions, of a total of 378.49 positions reported by counties. Other funding for positions typically comes from county governments (205.87 positions) or other private or governmental grants (57.43 positions). The attachment shows county-reported staffing levels for each county.

4. After a \$75,000 base allocation per county, funding is provided on a proportional basis to each county based on their request, until all funding is depleted. During the 2022-23 allocation, DATCP fully funded the base allocation and first positions in every county, and 70% of requested funding for second positions. After awarding first and second positions, there was a small allocation remaining for third positions, which DATCP divided equally amongst counties and covered approximately 5% of each third position. Table 2 summarizes county requests by funding tier for the 2021-22 and 2022-23 allocation cycle. For the 2022-23 fiscal year allocation, which is supporting staff costs during calendar year 2023, counties requested funding totaling \$18,775,100 and were awarded \$11,280,000.

**TABLE 2**

**County Conservation Staffing Grant Requests**

	<u>2021-22</u>		<u>2022-23</u>	
	<u>Requests</u>	<u>Cumulative Total Requested</u>	<u>Requests</u>	<u>Cumulative Total Requested</u>
Base	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000
First Position	1,412,403	6,812,403	1,719,384	7,119,384
Second Position	4,212,573	11,024,976	4,051,948	11,171,332
Third Position	2,425,680	13,450,656	2,392,238	13,563,570
Fourth and Subsequent Positions	4,836,082	18,286,738	5,211,498	18,775,068

5. Future county staffing grants are expected to support less staff as costs increase over time. From 2016-17 to 2022-23 requested amounts have grown by approximately 2.3% each year. Consistent with increasing costs over time, an inflationary increase of 2.3% to base funding would require an additional \$206,200 in 2023-24 and \$210,900 in 2024-25. However, if additional funding were made available, staff costs could increase more quickly in the near term as conservation departments face competition in recruitment from neighboring departments receiving similar funding increases.

6. Additional allocations for county conservation staff are dependent on availability of funding in the nonpoint account. The nonpoint account is anticipated to have a June 30, 2025, available balance of \$9.9 million, an increase of approximately \$2.3 million in 2023-25 from the estimated June 30, 2023, balance. However, expenditures and revenues are anticipated to be approximately equal under base funding in 2024-25. Thus, the Committee could not provide ongoing funding for nonpoint programs in 2023-25 while maintaining a balance with available revenues. The Committee could consider allocating a portion of the fund balance as one-time funding, but any ongoing funding allocations that exceed available annual revenues could limit future availability of funding for nonpoint programs.

7. Assembly Bill 43/Senate Bill 70 would provide an additional \$3,369,100 nonpoint SEG in 2023-24 and \$3,765,100 nonpoint SEG in 2024-25 and \$2,766,800 GPR in 2023-24 and \$2,970,800 GPR in 2024-25 for county conservation staffing grants, for a total of \$15,100,000 in 2023-24 and \$15,700,000 in 2024-25. Assuming a base allocation for all other nonpoint programs, the proposed funding level for county conservation staffing grants under AB 43/SB 70 could not be supported by nonpoint SEG on an ongoing basis unless revenues to the account were increased. Currently, approximately one-third of county conservation staffing grant funding is provided from GPR. If the Committee wished to ensure future availability of funding for nonpoint programs, it could provide such increases partially with GPR, or on a one-time basis. 2021 Act 58 provided one-time GPR funding of \$688,600 in 2021-22 and \$772,000 in 2022-23 for county conservation staffing.

8. The bill also provides that if any funding remains after meeting current statutory goals, DATCP and DNR may assist counties in meeting their funding goals for second or third positions by

providing grants to lower county match requirements. Grants may also be provided to counties for fourth and subsequent positions. The Administration intends for this provision to allow DATCP's allocation process, which is finalized each fall in consultation with the Land and Water Conservation Board, more flexibility to allocate remaining funds in a given grant cycle. The Board would be provided discretion for how remaining funds are spent. Currently, in the case of remaining funds, funds are split evenly among counties. In 2022-23 for example, after fully funding 70% of second position requests, each county received an additional \$1,554, which covered approximately 5% of a third position. Under the bill, the Land and Water Conservation Board could recommend that remaining funding be spent by giving fewer counties larger shares of leftover funds, or by giving grants to counties struggling to meet their cost-share requirements for second or third positions.

**TABLE 3**

**State Funding of Position Requests Under Alternatives**

	<u>Funding Level</u>		<u>Change to Base</u>		<u>Funding Supports up to:</u>
	<u>2023-24</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2024-25</u>	
Alternative 1 (AB 43/SB 70)	\$15,100,000	\$15,700,000	\$6,135,900	\$6,735,900	100% of cost-share for first positions, second positions, and third positions, and approximately \$1.8 million for 4th positions and beyond or grants for county cost-share.
Alternative 2 (Third Position)	\$13,354,500	\$13,661,700	4,390,400	4,697,600	Full statutory cost-share for first positions, second positions, and third positions.
Alternative 3 (Second Position)	10,962,300	11,214,400	1,998,200	2,250,300	Full statutory cost-share for first positions and second positions.
Alternative 4a (Inflation since 2019)	9,656,200	9,878,300	692,100	914,200	68% of cost-share for second positions in 2024 73% in 2025.
Alternative 4b (Inflation; 2.3% to base)	9,170,300	9,381,200	206,200	417,100	56% of cost-share for second positions in 2024 and 61% in 2025.
Alternative 5 (Base)	8,964,100	8,964,100	0	0	51% of cost-share for second positions in 2024 and 2025.

9. Table 3 shows potential funding levels listed in the alternatives below, and the anticipated share of requested positions each funding amount would support. Calculations were made based on 2023 county requests. Given the role county conservation staff take in assisting farmers in implementing best management practices to protect soil health and water quality, the Committee could consider providing additional funding for county conservation staff. Funding could be provided as proposed in AB 43/SB 70 [Alternative 1], at an amount sufficient to fund anticipated third position cost-share amounts [Alternative 2], at an amount sufficient to fund anticipated second positions cost-share amounts, which was the intent of additional one-time funding provided in the 2021-23 biennium [Alternative 3], at an inflationary increase of 2.3% each year [Alternative 4b] or, at an inflationary

increase of 2.3% based on allocated funding in 2019-21 [Alternative 4a]. The Committee could also consider taking no action [Alternative 6].

10. Given the available balance of the nonpoint account, and additional competing uses for funding from that source increased funding could be provided with GPR [Alternatives ending in a]. The Committee could also provide one-third of increases as GPR and the remainder from nonpoint SEG, similar to the proportion of one-time funding increases provided under 2021 Act 58 [Alternatives ending in b], or provide funding on a one-time basis during the 2023-25 biennium [Alternative 5]. Although there is an available balance in the nonpoint account, allocations under the bill from nonpoint SEG would begin to deplete the balance of the nonpoint account in the 2023-25 biennium. Given this, the Committee could consider providing 55% increases of GPR to mitigate depletion of the nonpoint account balance [Alternatives ending in c].

## ALTERNATIVES

1. Provide an additional \$6,135,900 in 2023-24 and \$6,735,900 in 2024-25 for a total of \$15,100,000 in 2023-24 and \$15,700,000 in 2024-25 for county staffing grants. Specify that if funding remains after statutory funding goals are met, DATCP and DNR may provide grants to counties for fourth or subsequent positions, or to assist counties in meeting cost-share requirements for second or third positions. Specify funding be provided from:

a. GPR.

ALT 1a	Change to Base
GPR	\$12,871,800

b. Two-thirds nonpoint SEG and one-third GPR.

ALT 1b	Change to Base
SEG	\$8,580,400
GPR	<u>4,291,400</u>
Total	\$12,871,800

c. 55% nonpoint SEG and 45% GPR, as proposed in AB43/SB70.

ALT 1c	Change to Base
SEG	\$7,134,200
GPR	<u>5,737,600</u>
Total	\$12,871,800

2. Provide an additional \$4,390,400 in 2023-24 and \$4,697,600 in 2024-25 for a total of \$13,354,500 in 2023-24 and \$13,661,700 in 2024-25 for county staffing grants, equivalent to the funding to fulfill statutory goals for cost-share for third positions each year. Specify funding be

provided from:

- a. GPR.

<b>ALT 2a</b>	<b>Change to Base</b>
GPR	\$9,088,000

- b. Two-thirds nonpoint SEG and one-third GPR.

<b>ALT 2b</b>	<b>Change to Base</b>
SEG	\$6,058,700
GPR	<u>3,029,300</u>
Total	\$9,088,000

- c. 55% nonpoint SEG and 45% GPR, as provided by AB43/SB70.

<b>ALT 2c</b>	<b>Change to Base</b>
SEG	\$4,998,400
GPR	<u>4,089,600</u>
Total	\$9,088,000

3. Provide an additional \$1,998,200 in 2023-24 and \$2,250,300 in 2024-25 for a total of \$10,962,300 in 2023-24 and \$11,214,200 in 2024-25 for county staffing grants, equivalent to the funding to fulfill statutory goals for cost-share for first and second positions each year. Specify funding be provided from:

- a. GPR.

<b>ALT 3a</b>	<b>Change to Base</b>
GPR	\$4,248,500

- b. Two-thirds nonpoint SEG and one-third GPR.

<b>ALT 3b</b>	<b>Change to Base</b>
SEG	\$2,832,300
GPR	<u>\$1,416,200</u>
Total	\$4,248,500

- c. 55% nonpoint SEG and 45% GPR as provided in AB43/SB70.

ALT 3c	Change to Base
SEG	\$2,336,700
GPR	<u>1,911,800</u>
Total	\$4,248,500

4. Provide additional nonpoint SEG, equivalent to a 2.3% inflationary increase each year based on:

- a. Funding in 2019-21 which would provide an additional \$692,100 nonpoint SEG in 2023-24 and \$914,200 nonpoint SEG in 2024-25 for county conservation staffing grants, for a total of \$9,656,200 in 2023-24 and \$9,878,300 in 2024-25

ALT 4a	Change to Base
SEG	\$1,606,300

- b. Base funding in 2023-25 which would provide an additional \$206,200 nonpoint SEG in 2023-24 and \$417,100 nonpoint SEG in 2024-25 for county conservation staffing grants, for a total of \$9,170,300 in 2023-24 and \$9,381,200 in 2024-25.

ALT 4b	Change to Base
SEG	\$623,300

5. Specify that funding would be provided on a one-time basis during the 2023-25 biennium. (This alternative could be selected in addition to any other alternative.)

6. Take no action. (Grants would be budgeted at \$8,964,100 each year.)

Prepared by: Margo Poelstra  
Attachment

## ATTACHMENT

### County Conservation Staff and Awards by County

<u>County</u>	<u>2023 Requests</u>	<u>2023 Awards</u>	<u>2021 Staff</u>	<u>County</u>	<u>2023 Requests</u>	<u>2023 Awards</u>	<u>2021 Staff</u>
Adams	\$180,575	\$148,693	4.00	Milwaukee	\$98,283	\$76,554	1.47
Ashland	177,831	142,842	4.00	Monroe	187,425	156,919	5.00
Barron	207,385	163,647	3.75	Oconto	205,650	170,230	4.50
Bayfield	178,274	141,926	5.00	Oneida	136,371	129,010	3.47
Brown	224,247	182,710	9.50	Outagamie	260,016	219,102	12.00
Buffalo	141,709	126,351	4.00	Ozaukee	222,372	178,612	3.50
Burnett	138,621	122,659	6.75	Pepin	124,148	104,565	3.00
Calumet	248,931	197,782	6.00	Pierce	211,880	168,208	5.00
Chippewa	250,499	202,731	9.00	Polk	196,077	161,239	6.00
Clark	199,471	161,889	4.00	Portage	225,526	181,735	5.00
Columbia	186,933	146,920	7.00	Price	111,364	103,314	1.90
Crawford	165,073	137,818	3.00	Racine	223,535	189,031	3.00
Dane	308,657	247,461	13.00	Richland	145,502	122,273	4.00
Dodge	216,093	176,702	6.00	Rock	211,743	171,739	7.50
Door	226,112	178,571	8.86	Rusk	138,071	115,573	3.00
Douglas	157,911	134,888	3.00	St. Croix	216,070	181,352	7.10
Dunn	242,277	191,041	8.00	Sauk	228,003	182,261	6.90
Eau Claire	222,201	177,773	4.48	Sawyer	131,392	112,855	2.50
Florence	84,278	76,554	3.68	Shawano	186,818	157,137	3.60
Fond du Lac	222,178	186,197	10.00	Sheboygan	213,641	170,106	5.00
Forest	129,960	115,787	3.00	Taylor	179,853	148,312	3.00
Grant	163,110	129,865	5.00	Trempealeau	162,554	126,524	10.00
Green	189,096	166,475	3.00	Vernon	188,229	154,494	12.75
Green Lake	239,788	191,649	4.90	Vilas	173,012	143,107	3.00
Iowa	194,143	159,612	3.80	Walworth	235,290	189,764	6.00
Iron	142,270	133,256	3.50	Washburn	131,070	131,070	2.20
Jackson	159,655	159,655	2.00	Washington	180,619	152,223	10.00
Jefferson	225,070	184,269	6.00	Waukesha	243,716	208,933	7.40
Juneau	186,218	155,020	3.00	Waupaca	211,532	165,542	5.67
Kenosha	161,874	148,997	1.66	Waushara	224,258	180,627	5.90
Kewaunee	227,435	190,786	5.00	Winnebago	229,152	185,481	7.00
Lacrosse	226,574	181,602	8.00	Wood	<u>209,112</u>	<u>175,847</u>	<u>5.40</u>
Lafayette	143,458	118,478	3.00				
Langlade	113,986	102,999	2.65	Total	\$13,563,570	\$11,280,000	378.49
Lincoln	104,251	98,257	5.00				
Manitowoc	205,632	170,194	5.00				
Marathon	232,808	183,559	8.50				
Marinette	207,762	165,620	5.70				
Marquette	193,853	169,939	3.00				
Menominee	95,087	95,087	2.00				