



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #576

### Campsite Electrification (Natural Resources -- Parks)

[LFB 2023-25 Budget Summary: Page 439, #2]

#### CURRENT LAW

Under current law, no more than 35% of campsites in state parks may be electrified. No more than 50% of campsites in any one park may be electrified. Furthermore, at least 25% of all campsites in state parks must be rustic campsites, which are those located in campgrounds that do not provide modern facilities such as electrical outlets, flush toilets and showers.

#### DISCUSSION POINTS

1. The table shows the number of electrified campsites by DNR property type. As shown in the table, DNR has electrified nearly all campsites that may be under the 35% cap. The Department reports that an additional seven state park campsites may be electrified before the cap is reached.

#### Electrified Campsites

<u>Facility Type</u>	<u>Total Sites</u>	<u>Number Electrified</u>	<u>Percent Electrified</u>
State Parks	3,956	1,378	34.8%
Southern Forests	870	269	30.9
Northern Forests	1,196	41	3.4
Recreational Areas and Flowages	<u>406</u>	<u>54</u>	<u>13.3</u>
Total	6,428	1,742	27.1%

2. Assembly Bill 43/Senate Bill 70 would raise the cap on electrified state park campsites

from 35% to 40%. This would allow DNR to electrify an additional 198 beyond the current cap, for a total of 1,582 electrified sites.

3. Under 2017 Wisconsin Act 59, overnight camping fees cost between \$15 and \$30 per night for residents and between \$19 and \$35 for nonresidents. The act provides the DNR Secretary discretion to set fees within these limits based on market conditions and demand. In addition to the base camping fee, DNR may charge additional fees for electrified campsites. DNR currently charges an additional \$10 fee for most electrified campsites and a \$15 fee for electrified campsites in five high-demand parks: Devil's Lake, High Cliff, Kohler-Andrae, Peninsula, and Willow River.

4. While DNR may charge higher overnight camping fees for electrified sites, the Department reports that electrified sites increase utility costs in state parks. In a 2013 study of electrical use in state campgrounds, DNR found that campers incurred approximately \$5 in electric fees per night. A large driver of this high electric fee is the relative inefficiency of air conditioners, lighting systems, water pumps, and other items in RVs and campers. As utility costs have grown in the past decade, this \$5 per night cost estimate has likely grown. However, the Department is still likely to produce more net revenue from overnight camping fees in electrified state parks. Therefore the Committee could consider increasing the cap from 35% to 40% [Alternative A1].

5. If the Committee removed the total cap entirely [Alternative A2], the statutes would continue to place limits on the number of campsites that could be electrified. As noted above, at least 25% of all campsites in state parks must be "rustic." DNR maintains a number of campgrounds without any electrified sites, such as Amnicon Falls State Park and Rock Island State Park. Additionally, the statutes require that no more than 50% of the campsites in any single park be electrified. Therefore, the Department would continue to offer a variety of site types to cater to the differing interests of campers.

6. If the Committee were to eliminate the 35% cap, DNR could likely electrify a minimum of 600 additional sites before DNR has electrified 50% of all sites within each state park. However, due to the costs and labor involved with running electrical service to individual sites, it would likely take several years to electrify these additional parks. DNR has previously estimated that the Department can electrify 200 sites in a biennium.

7. In addition to raising the cap, AB 43/SB 70 would provide \$2,925,000 SEG as one-time financing in 2024-25 to fund campsite electrification. DNR estimated the cost of providing electrical service to campsites to be approximately \$6,500 per site. At this rate, DNR would have been able to fund the electrification of approximately 450 sites, including approximately 200 sites that would be newly authorized for electrification under the bill. DNR has revised the per-site cost of electrification to \$14,400 based on inflationary factors, and building program design and construction fees. At this cost, DNR could electrify approximately 200 sites. The Committee could consider providing \$2,925,000 SEG as one-time financing to electrify 200 campsites [Alternative B1].

8. AB 43/SB 70, as originally introduced, would have provided \$1,316,300 from the parks account and \$1,608,700 from the forestry account. This funding would have been used to electrify campsites in each respective program area. However, because the estimated cost of providing electrical service to campsites has increased, the Committee could consider providing all \$2,925,000

from the parks account for the 200 sites that could be electrified by raising the cap from 35% to 40% [Alternative B2].

9. As noted above, DNR initially estimated that the funding provided by AB 43/SB 70 would electrify 450 campsites. These would include the approximately 200 sites in state parks that could be electrified by raising the cap from 35% to 40%, as well as 250 site in southern forests, which are not limited by the cap. To fund the electrification of 450 campsites, the Committee could provide \$6,480,000 SEG, including \$2,880,000 from the parks account and \$3,600,000 from the forestry account in one-time funding for campsite electrification [Alternative B3].

10. Because campers pay more for electrified sites, they tend to increase parks revenue, relative to non-electrified sites. DNR estimates that each electrical site collects an additional \$2,100 in revenue annually, net utility expenses. Increasing the electrical campsite cap from 35% to 40% would therefore likely increase revenue by \$420,000, beginning in 2024-25 to reflect the timing when construction would occur. Rather than providing one-time funding, the Committee could increase parks general program operations by \$420,000 SEG [Alternative B4]. This would enable DNR to pay increased utility fees related to electrical campsites, in addition to other supplies and services expenditures.

11. If the Committee takes no action [Alternative B5], DNR could continue to increase the number of electrified campsites in southern forests, northern forests, and recreation areas using base level funding and development appropriations.

## ALTERNATIVES

### A. Electrified Campsite Cap

1. Increase the cap on the amount of state park campgrounds that may be electrified from 35% to 40%.

ALT A1	Change to Base
SEG-REV	\$210,000

2. Eliminate the cap on the amount of state park campgrounds that may be electrified.

ALT A2	Change to Base
SEG-REV	\$210,000

3. Take no action to alter the cap on state park campgrounds.

**B. Electrified Campsite Funding**

1. Provide \$2,925,000 SEG, including \$1,316,300 from the parks account and \$1,608,700 from the forestry account, as one-time financing in 2024-25 to fund campsite electrification at approximately 200 site.

<b>ALT B1</b>	<b>Change to Base</b>
SEG	\$2,925,000

2. Provide \$2,925,000 SEG from the parks account in one-time financing in 2024-25 to fund campsite electrification at approximately 200 sites.

<b>ALT B2</b>	<b>Change to Base</b>
SEG	\$2,925,000

3. Provide \$6,480,000 SEG, including \$2,880,000 from the parks account and \$3,600,000 from the forestry account as one-time financing in 2024-25 to fund campsite electrification.

<b>ALT B3</b>	<b>Change to Base</b>
SEG	\$6,480,000

4. Increase general operations funding for state parks by \$420,000 annually, beginning in 2024-25 to fund cost increases attributable to newly electrified campsites.

<b>ALT B4</b>	<b>Change to Base</b>
SEG	\$420,000

5. Take no action.

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