

NATURAL RESOURCES -- STEWARDSHIP PROGRAM

[LFB Papers #465 through #470]

Motion:

Move to do the following:

1. *Stewardship Program Bonding and Allocations.* Specify that DNR may not obligate more than \$60,000,000 in each year from fiscal year 2011-12 through 2019-20 under the stewardship program (reauthorized stewardship 2000 program). Specify that DNR may obligate not more than \$20,000,000 in fiscal year 2011-12, \$21,000,000 in 2012-13, and \$15,000,000 from fiscal years 2013-14 through 2019-20 under the property development and local assistance subprogram. In addition, specify that DNR set aside not less than a total of \$6,000,000 from the land acquisition subprogram of the stewardship program for dam safety grants to counties under section 31.385 of the statutes. Specify that the grants may only be awarded for a county-owned dam that is under an order by DNR for maintenance, repair, modification, abandonment or removal as of the effective date of the bill. Further, specify that the grants may be provided for up to 25% of eligible project costs, with a maximum grant award of \$2,500,000 (\$10,000,000 project). The \$60 million would be allocated as shown in the following table. (Beginning in fiscal year 2013-14, the allocations would be consistent with the 2009-10 allocation, except the \$12 million to NCOs for land acquisition grants which would be at the current law level and general DNR land acquisition would be reduced by \$4 million annually.) Reduce authorized bonds by \$234 million BR and delete \$290,000 GPR in 2011-12 and \$2,300,000 GPR in 2012-13 for estimated debt service payments. In addition, specify that, if the total amount obligated for any fiscal year is less than \$60,000,000, DNR shall calculate the unobligated amount and decrease the available bonding authority for the immediately following fiscal year in an amount equal to the unobligated amount. Further, delete the authority for DNR to obligate stewardship bonding beyond June 30, 2020. Also, require DNR to submit a report to the Joint Committee on Finance and Standing Committees on Natural Resources by November 15, 2011, and biennially thereafter, which specifies the Department's land acquisition goal in acres.

DNR Annual Stewardship Allocations

	Current Law Beginning in 2010-11)	Proposed Allocation		
		2011-12	2012-13	2013-14 Through 2019-20
Land Acquisition				
General DNR Land Acquisition*	\$48,000,000	\$23,500,000	\$22,500,000	\$28,500,000
NCO Acquisition (minimum)	12,000,000	12,000,000	12,000,000	12,000,000
Board of Commissioners of Public Lands Natural Areas	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Subtotal**	\$62,000,000	\$37,500,000	\$36,500,000	\$42,500,000
Property Development and Local Assistance				
Property Development	\$10,000,000	12,000,000	13,000,000	7,000,000
Local Assistance (maximum)	<u>11,500,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
Subtotal	\$21,500,000	\$20,000,000	\$21,000,000	\$15,000,000
Recreational Boating Aids	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total Allotment	\$86,000,000	\$60,000,000	\$60,000,000	\$60,000,000

*Includes grants for county forests beginning in 2010-11.

**Includes one-time allocations of \$5.2 million for the Purchase of Agricultural Conservation Easements and \$6 million for dam safety grants to counties under DNR order.

2. *Aids in Lieu of Property Taxes [LFB Issue Paper #466].* Adopt Alternative #2b, which would adjust the aids in lieu of property taxes formula by defining the estimated value of the property to mean the lower of the equalized value of the property in the year prior to purchase by the Department or the purchase price (instead of the purchase price, as currently provided in statute). In cases where the property had been previously tax exempt, the calculation would be the lower of either: (a) the purchase price; or (b) the last recorded equalized value, or a payment of \$10 per acre, whichever amount was greater. Provide \$183,000 SEG in 2011-12 and \$185,000 SEG in 2012-13 from the forestry account of the conservation fund.

3. *Land Acquisition and Easements [LFB Issue Paper #467].* Adopt Alternative #A4 and B3, which would maintain current law related to stewardship program easements and the acquisition of development rights program. Further, specify that, for any proposed acquisition using stewardship funds within 30 days of receiving notice, each city, village, town, or county may adopt a nonbinding resolution that supports or opposes the proposed acquisition of land if any portion of the land is located in the city, village, town, or county and require DNR to consider a resolution if one is adopted before approving or denying the grant or acquisition.

4. *Public Access [LFB Issue Paper #468].* Adopt Alternative #1, the Governor's recommendation to specify that public access for one or more nature-based outdoor activities may be prohibited on land acquired by DNR or acquired through a stewardship program grant in fee simple, or acquired by an easement or other conveyance on land that was withdrawn from the

managed forest law program on or after the effective date of the budget act, only if the Natural Resources Board determines that it is necessary to do so to: (a) protect public safety or (b) protect a unique animal or plant community. However, if the property acquired was an easement on managed forest lands for a state trail or the Ice Age Trail, access could also be restricted to accommodate usership patterns.

5. *Oversight Level [LFB Issue Paper #469]*. Adopt Alternative #1, 2b4, 2c1, and 2d1. This would specify the following: (a) that the Joint Committee on Finance would review stewardship projects over \$250,000, through a passive review process (Governor's recommendation); (b) that no specific time would be specified for the Committee to meet on a request; (c) that the Joint Finance Committee Co-chairs would register a written objection for the item to be scheduled for a meeting; and (d) specify that if a project proposal is subject to review by the Joint Committee on Finance, a majority of Committee members must vote to approve the proposal. (The last three items would be consistent with s. 16.515 passive review procedures.)

6. *Land Valuation. [LFB Issue Paper #470]*. Adopt the modification to the definition of purchase price for lands owned fewer than three years to be consistent with stewardship grants for the acquisition of land owned by the current owner for more than three years (that is, to include 50% of allowable acquisition costs).

7. In addition, specify that DNR may contract with nonprofit conservation organizations and other third parties to perform land management, maintenance, and improvement activities on Department land. Specify that DNR may receive gifts, grants, and bequests of money, materials, or services from nonprofit conservation organizations and other donors for the performance of land management, maintenance, and improvement activities on Department land. Further, specify that the Department may acknowledge by signs, bulletins, pamphlets or other communications the performance of activities pursuant to these contracts with NCOs and other third parties the receipt of moneys, materials, and services from NCOs and other third parties for land management, maintenance, and improvement activities on DNR land. Finally, expand the current law requirement that DNR submit a report to the Joint Committee on Finance regarding contracts with NCOs and private companies to include contracts with NCOs and other third parties for land management, maintenance, and improvement activities on DNR land.

8. Provide \$550,000 forestry SEG annually and require DNR to establish, by rule, a program that allows cooperating foresters and private contractors to assist the state in the regeneration of harvested areas on state lands, to meet the annual allowable timber harvest established under s. 28.025. The rule would include provisions authorizing the Department to contract with cooperating foresters and private contractors for the purpose of artificial and natural forest regeneration including, but not limited to, site preparation (including invasive species control) and tree planting. In addition, the rule would include provisions authorizing the private contractors to receive a portion of the proceeds from each timber sale.

9. Provide \$92,800 SEG annually from the forestry account of the conservation fund for increases in reimbursements to local fire departments for wildland fire suppression activities.

Note:

Annual bonding authority for the stewardship program is currently \$86 million, with a total bonding authorization over the life of the program of \$1,663,000,000. Total estimated debt service payments on the \$1,663 million currently authorized for the program (principal repayment and interest) could total almost \$2.6 billion over the life of the program bonds (a period of over 50 years). The motion would reduce the authorized bonding authority under the program to \$60 million annually from 2011-12 through 2019-20. This would reduce the total authorized bonding under the stewardship program to \$1,429 million. Total debt service payments could be expected to total approximately \$2.2 billion over the life of the program bonds, a reduction of approximately \$362 million over the life of the program. Debt service reductions in the 2011-13 biennium would be expected at approximately \$2.6 million and \$10.6 million in 2013-15. Debt service savings would increase each biennia thereafter until peaking at approximately \$36 million in the 2021-23 biennium.

Under the property development and local assistance subprogram of the stewardship program, DNR is currently required to allocate at least \$3.5 million for property development and not more than \$11.5 million for local assistance. The motion would allocate not more than \$8 million for local assistance (consistent with the 2009-10 allocation), leaving \$12 million in 2011-12, \$13 million in 2012-13, and \$7 million from 2013-14 through 2019-20 (consistent with the 2009-10 allocation). DNR indicates the additional property development allocation could be used for such property development projects as parking lots, increased signage, and campsite electrification.

DNR administers the municipal dam safety grant program. The program provides matching grants to counties, cities, villages, towns, and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to any dam owner to voluntarily remove their dam. A total of \$16.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million authorized by 2009 Act 28. In addition, the act specified that grants for dam repair and reconstruction grants, may be provided for up to 50% of the first \$400,000 in project costs, and up to 25% of the next \$800,000 in project costs (\$400,000 maximum grant award for a \$1.2 million project). The bill would provide an additional \$4 million in general obligation bonding authority for dam safety grants.

The motion would provide up to \$6 million from the land acquisition subprogram of the stewardship program for grants to counties for dams under a DNR repair order as of the effective date of the bill. Currently \$62 million annually is available for the land acquisition subprogram out of the total \$86 million annual allocation. Of the \$62 million, at least \$12 million is required to be used for stewardship grants to non-profit conservation organizations for land acquisition. The dam

safety grants would be provided for up to 25% of eligible project costs, with a maximum grant award of \$2.5 million. Currently, at least two counties have dams under order by the Department, Milwaukee County for one dam and Vernon County for five dams.

Under current law, DNR may contract with NCOs and with private companies to perform land management activities on Department land. In addition, DNR is currently required to prepare an annual report for the Joint Committee on Finance, which includes information on costs of contracts, activities performed, and the cost effectiveness of the contracts, by November 15 each year for the prior fiscal year.

The DNR Division of Forestry utilizes its own staff and equipment for wildland fire suppression. In addition, DNR also relies on local fire departments, as needed, for additional wildland fire suppression support. Under a Memorandum Of Understanding (MOU), DNR reimburses each local fire department for their fire suppression efforts according to rates established in the MOU. The motion would provide funding which would allow the Department to increase the firefighter labor rate from \$8.55 to \$10 per hour (a level comparable to the federal wildland fire fighter rate) and increase the reimbursement for use of fire trucks from \$50 to \$75 per hour to more adequately support the current cost of fuel, insurance, and maintenance on fire engines.

[Change to Bill: -\$2,590,000 GPR, \$1,653,600 SEG and -\$234,000,000 BR]

M# 265

VOS	Y	N	A
MEYER	Y	N	A
LEMAHIEU	Y	N	A
NYGREN	Y	N	A
STRACHOTA	Y	N	A
KLEEFISCH	Y	N	A
GRIGSBY	Y	N	A
SHILLING	Y	N	A

1 DARLING	Y	N	A
2 OLSEN	Y	N	A
HARSDORFF	Y	N	A
LEIBHAM	Y	N	A
GROTHAMN	Y	N	A
HOPPER	Y	N	A
TAYLOR	Y	N	A
JAUCH	Y	N	A

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