

Natural Resources

Fish, Wildlife, and Recreation

(LFB Budget Summary Document: Page 318)

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April 22, 2015

Joint Committee on Finance

Paper #470

Fish and Wildlife Account Condition (DNR -- Fish, Wildlife, and Recreation)

FISH AND WILDLIFE ACCOUNT CONDITION

The primary source of revenue to the fish and wildlife account of the segregated conservation fund is the fees charged for hunting, fishing and special licenses and stamps. There are a wide variety of licenses authorizing residents and nonresidents to hunt, trap, and fish. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time period for which the license is valid. To hunt or fish certain species (such as wild turkey or trout), a stamp must be purchased in addition to the license.

DISCUSSION POINTS

1. Approximately 88% (\$65.6 million) of revenue to the fish and wildlife account of the segregated conservation fund in 2013-14 was from the fees charged for hunting, fishing, and special licenses and stamps. Certain resident and nonresident hunting and fishing license fees were last raised under the 2005-07 biennial budget effective July 27, 2005. A few new licenses, and several discounted licenses have been approved since 2005. Table 1 shows selected hunting and fishing license fees in Wisconsin and surrounding states.

TABLE 1

2015 Selected Hunting and Fishing Licenses

	<u>Illinois*</u>	<u>Iowa*</u>	<u>Michigan*</u>	<u>Minnesota</u>	<u>Wisconsin</u>
Resident:					
Deer	\$25.50	\$28.50	\$20	\$30	\$24
Small Game	12.50	19.00	11	22	18
Annual fishing	15.00	19.00	26	22	20
Nonresident:					
Deer	300.50	228**	20	165	160
Small Game	57.75	112	151	102	85
Annual Fishing	31.50	41	76	45	50
Habitat Stamp	5.50	13	N/A	N/A	N/A

*Must purchase a general (small game) hunting license, in addition to the listed deer license. For example, a nonresident in Michigan would pay \$171 (\$20 deer + \$151 general/small game) to hunt deer, while a resident would pay \$31. Further, in Illinois and Iowa, all hunters must purchase a habitat stamp.

**Antlerless deer only. In addition, a limited number of nonresident licenses (currently 6,000) that allow for the taking of a buck (or an antlerless deer) are available to non-residents through a lottery for a fee of \$426.

2. Currently, authorized positions supported by revenues from the fish and wildlife account include approximately 588 staff positions in the Department of Natural Resources (DNR). The bill would delete a number of positions which are fully or partially funded by the fish and wildlife account, leaving approximately 566 fish and wildlife account supported positions. Fish and wildlife account revenues that are not statutorily designated for specific purposes (such as designated stamp revenues) are used to support the conservation law enforcement and fish and wildlife management functions of the Department. These include: (a) law enforcement activities performed primarily by conservation wardens who are responsible for the investigation and enforcement of laws relating to fish and wildlife; (b) fish management activities related to monitoring, maintaining, and enhancing aquatic ecosystems and sport and commercial fisheries; (c) wildlife management activities including managing and regulating various species including deer, bear, geese, turkey, and waterfowl, as well as handling urban wildlife, captive wildlife, and wildlife rehabilitation issues, and operating the state game farm at Poynette where pheasants are raised for stocking on public hunting grounds; and (d) grants to counties and tribal governing bodies for up to 50% of the costs of certain county fish and game management projects. Some fish and wildlife account revenues are dedicated to supporting specific activities, such as the wildlife damage claims and abatement program and stamp funded programs for the management of habitat and monitoring of specific species (including pheasant, salmon, trout, waterfowl, and wild turkey). DNR also contracts with a third party to operate the statewide automated license issuance system (ALIS).

3. Although the fish and wildlife account has had a structural imbalance for years (FY14 revenues of \$74.3 million were \$3.3 million lower than authorized expenditures of \$77.6 million), DNR has limited expenditures to maintain a positive account balance. For example, actual fish and wildlife expenditures came in below authorized (budgeted) levels by approximately \$5 million in both fiscal years 2012-13 and 2013-14. A large portion of the reductions can be attributed

to salary, fringe benefit, and related cost savings due to staff vacancies. However, the Department has recently filled some positions. Fish and wildlife account revenues that are not statutorily designated for specific purposes support approximately 434 authorized permanent staff that carry out the direct management and law enforcement functions of the Department. Currently, of these 434 authorized positions 38, or approximately 8.7%, are vacant (compared to approximately 13% in April, 2013). The bill would delete 14.44 of these vacant positions (the bill would also delete 1.0 communications specialist position and 0.25 natural resources educator position from these appropriations). Table 2 shows current vacancy rates by program area, and the percent remaining vacant under the bill. In addition, the DNR Division of Administrations' main conservation fund appropriation has a vacancy rate of approximately 16.7% and the Division of Customer Assistance and Employee Services has a vacancy rate of approximately 5.8%. Including approximately 9.0 in administrative and customer assistance and employee services appropriations, the fish and wildlife account would be expected to have approximately 32 vacancies remaining beyond those eliminated under the bill. Current vacancy rates would be expected to significantly reduce 2014-15 expenditures (by at least \$2.5 million).

TABLE 2

Fish and Wildlife Account Authorized and Vacant Positions as of April, 2013 and Vacancies Under Governor's Bill

	Under Current Law			Under Bill				
	Authorized Positions	Vacant	Percent	Vacancies Deleted	Other Positions Deleted	Positions Authorized	Remaining Vacancies	Percent
Law Enforcement	133.13	5.58	4.2%	-0.50	-1.00	131.63	5.08	3.9%
Fisheries Management	175.83	22.97	13.1	-8.44	-0.25	167.14	14.53	8.7
Wildlife Management	<u>125.07</u>	<u>9.07</u>	7.3	<u>-5.50</u>	<u>0.00</u>	<u>119.57</u>	<u>3.57</u>	3.0
Total	434.03	37.62	8.7%	-14.44	-1.25	418.34	23.18	5.5%

4. The Department plans to continue to hold vacancies at approximately their current level (5.5% after the reductions included in the bill) to limit salary and related costs through most of the 2015-17 biennium in order to maintain a balance in the fish and wildlife account. These reductions have limited, and will continue to limit, the Department's activities in most aspects of fish and wildlife management programs and conservation law enforcement. Without these substantial planned reductions, the fish and wildlife account would be projected to have a deficit of approximately \$3.5 million on June 30, 2017, as shown in Table 3. DNR indicates they would reduce expenditures below authorized levels as needed (approximately \$4 million for the biennium) in order to maintain a positive balance.

TABLE 3**Estimated Fish and Wildlife Account Condition**

	<u>Actual</u> <u>2013-14</u>	<u>Estimated</u> <u>2014-15</u>	<u>Governor</u> <u>2015-16</u>	<u>Governor</u> <u>2016-17</u>	<u>2016-17</u> <u>Staff</u>
Opening Balance	\$20,751,800	\$22,401,400	\$19,717,100	\$16,178,000	
Revenue:					
Hunting Licenses	\$29,229,400	\$28,370,000	\$28,370,000	\$28,270,000	
Fishing Licenses	27,206,400	27,000,000	27,000,000	26,950,000	
Combination Licenses	9,180,700	9,200,000	9,100,000	9,000,000	
Timber Sales	3,895,900	4,000,000	4,000,000	4,000,000	
Tribal Gaming Transfer	3,000,000	3,000,000	3,000,000	3,000,000	
All Other Revenue	<u>1,782,100</u>	<u>1,780,000</u>	<u>1,780,000</u>	<u>1,780,000</u>	
Total Revenue	\$74,294,500	\$73,350,000	\$73,250,000	\$73,000,000	
Total Available	\$95,046,300	\$95,751,400	\$92,967,100	\$89,178,000	
Expenditures:					
Law Enforcement and					
Division Management	\$21,902,100	\$23,296,400	\$23,370,700	\$23,370,700	184.00
Fisheries Management	15,057,400	16,364,300	16,044,500	16,044,500	167.00
Wildlife Management	11,093,000	12,451,300	12,204,500	12,204,500	119.57
Designated Revenue	7,652,400	8,969,800	8,754,500	8,754,500	16.59
Administration, Licensing,					
Debt and Development	12,779,000	13,525,400	12,954,100	13,194,600	78.75
ALIS Contract Fees	3,022,100	2,863,100	2,863,100	2,863,100	0.00
All Other	<u>1,138,900</u>	<u>1,064,000</u>	<u>597,700</u>	<u>597,700</u>	<u>0.00</u>
Authorized Expenditures	\$77,583,300*	\$78,534,300	\$76,789,100	\$77,029,600	566.05
Lapses	-4,938,400	-2,500,000	See Below	See Below	
Total Expenditures	\$72,644,900*	\$76,034,300	\$76,789,100	\$77,029,600	
Cash Balance	22,401,400	19,717,100	16,178,000	12,148,400	
Encumbrances/					
Continuing Balance**	<u>15,155,400</u>	<u>15,650,000</u>	<u>15,650,000</u>	<u>15,650,000</u>	
Available Balance	\$7,246,000	\$4,067,100	\$528,000	-\$3,501,600	
2015-17 Expenditure Reductions				<u>4,000,000</u>	
Expected Balance				\$498,400	

* In 2013-14, \$77.6 million of expenditures were authorized, but only \$72.6 million was actually spent (a reduction of almost \$5 million).

** Includes amounts encumbered (committed, but not yet paid) as well as continuing balances from certain appropriations (such as trout, waterfowl, or wild turkey stamp, or wildlife damage programs) that are not available for general appropriation.

5. As some sources of revenue to the account are dedicated to specific purposes, the Department is unable to utilize them for general fish and wildlife account expenditures. Therefore, these dedicated revenues (such as bonus deer hunting permit revenues, and trout stamp or waterfowl

stamp revenues) are shown in the table as part of the fish and wildlife account continuing balance. Further, authorized (appropriated) expenditures under the bill would exceed anticipated revenues to the fish and wildlife account by over \$3.5 million in 2015-16 (\$73.3 million in revenue with \$76.8 million in budgeted expenditures) and \$4 million in 2016-17 (\$73 million in revenue with \$77 million in budgeted expenditures). As noted, DNR would be expected to reduce expenditures by \$4 million below the levels authorized in the bill to maintain a balance in the account. However, either expenditure reductions, fee increases, or a combination of the two will likely be required again in the 2017-19 biennium to address this continuing structural imbalance in the account.

6. In addition, license sales revenue has been on a modestly declining trend for the past several years. As the Department has indicated they plan to maintain vacancies at approximately current levels, one alternative could be to delete approximately \$2.0 million in fish and wildlife account SEG annually and most of the vacant positions remaining under the bill (26.67 positions out of approximately 32 total remaining vacancies) to bring authorized expenditures closer to anticipated revenues. If the Committee wanted to give the Department greater flexibility with regard to where expenditures were reduced, an alternative could be to delete approximately \$1.0 million SEG annually (and a corresponding 13.35 positions), as shown in the following table. Even with these reductions, an imbalance in the account would remain in 2017-19, although at a significantly reduced level. The attachment shows the currently vacant positions the calculations are based on by program, however, DNR would have some discretion in determining which positions were ultimately deleted after passage of the budget.

TABLE 4

Alternative Expenditure Reductions and Position Deletions

	<u>Alternative 1.a.</u>		<u>Alternative 1.b.</u>	
	<u>Funding</u>	<u>FTE</u>	<u>Funding</u>	<u>FTE</u>
Law Enforcement	\$327,500	4.50	\$163,900	2.25
Fisheries Management	851,800	11.47	426,100	5.75
Wildlife Management	256,100	3.50	128,100	1.75
Administration	518,100	6.20	259,300	3.10
Customer Assistance and Employee Services	<u>55,400</u>	<u>1.00</u>	<u>27,700</u>	<u>0.50</u>
Total	\$2,008,900	26.67	\$1,005,100	13.35

7. Although significant expenditure reductions will be necessary to maintain a positive balance in the fish and wildlife account, the bill includes two law enforcement items (computers and overtime) with increases in authorized expenditures from the fish and wildlife account totaling \$361,600 over the 2015-17 biennium. If the Committee wished to allow DNR to fill some vacancies, to operate existing programs nearer to budgeted levels, and/or to provide additional expenditure authority for certain programs (such as law enforcement), additional revenue would be needed. The following table identifies the amount that would be generated if the regular resident

and nonresident gun, crossbow, and archer deer hunting license fees and annual resident fishing licenses fee were increased by \$2. As shown in Table 1, these license fees would remain competitive with surrounding states even with a \$2 increase. For example, the resulting Wisconsin resident fishing license fee of \$22 would be consistent with Minnesota and less than Michigan's \$26 annual fishing license. A Wisconsin resident deer hunting license (\$26) would be lower than the Minnesota fee (\$30), or that of Michigan cost (\$31 with the required general small game license fee). On the other hand, the nonresident annual fishing license fee (\$50) currently falls between Minnesota and Michigan (\$5 more than Minnesota but \$26 less than Michigan). Increases of this nature would raise approximately \$2.1 million annually beginning in 2016-17. (Just over \$4 million for the biennium.) Under this scenario, fee increases would be effective on the day after publication of the bill.

TABLE 5

Selected Hunting and Fishing Fee Increases

	<u>Current Fee</u>	<u>Alternative Fee</u>	<u>Change to Prior Fee</u>	<u>2015-16 Increase</u>	<u>Annualized Revenue Increase</u>
Hunting					
Resident Gun, Archer, and Crossbow Deer	\$24	\$26	\$2	\$1,080,000	\$1,115,000
Nonresident Gun, Archer, and Crossbow Deer	160	162	2	55,000	60,000
Fishing					
Resident Annual	20	22	2	<u>835,000</u>	<u>910,000</u>
Total Annual Revenue Increase				\$1,970,000	\$2,085,000

8. A combination of reduced expenditures [Alternative 1.a.] and increased revenues [Alternative 2.a. through c.] would be expected to approximately balance ongoing revenue and expenditure levels in 2016-17.

ALTERNATIVES

1. Delete the following:
 - a. \$2,008,900 annually and 26.67 vacant positions

ALT 1a	Change to Bill	
	Funding	Positions
SEG	- \$4,017,800	- 26.67

- b. \$1,005,100 annually and 13.35 vacant positions

ALT 1b	Change to Bill	
	Funding	Positions
SEG	- \$2,010,200	- 13.35

2. Increase the following fees by \$2:

- a. Resident Gun, Crossbow and Archer Deer

ALT 2a	Change to Bill
SEG-REV	\$2,195,000

- b. Nonresident Gun, Crossbow and Archer Deer

ALT 2b	Change to Bill
SEG-REV	\$115,000

- c. Resident Annual Fishing

ALT 2c	Change to Bill
SEG-REV	\$1,745,000

Prepared by: Erin Probst
Attachment

ATTACHMENT

Potential Vacant Position Reductions

<u>Title</u>	<u>Alternative 1.a.</u>		<u>Alternative 1.b.</u>	
	<u>Annual Reduction</u>	<u>FTE</u>	<u>Annual Reduction</u>	<u>FTE</u>
Law Enforcement				
Natural Resources Enforcement Supervisor	\$109,800	1.50	\$54,900	0.75
Conservation Warden	107,900	1.50	54,000	0.75
Special Investigative Warden	80,100	1.00	40,100	0.50
Natural Resources Customer Service Representative- Lead	<u>29,700</u>	<u>0.50</u>	<u>14,900</u>	<u>0.25</u>
Subtotal	\$327,500	4.50	\$163,900	2.25
Fisheries Management				
Natural Resources Manager	\$186,800	2.00	\$93,400	1.00
Natural Resources Program Manager	170,000	2.00	85,000	1.00
Heavy Equipment Operator	110,200	2.00	55,100	1.00
Natural Resources Operations Supervisor	122,100	1.67	61,100	0.84
Natural Resources Region Program Manager	85,000	1.00	42,500	0.50
Fisheries Biologist Senior	73,100	1.00	36,600	0.50
Facilities Maintenance Specialist- Advanced	54,900	1.00	27,500	0.50
Training Officer	31,400	0.55	15,700	0.28
Wildlife Biologist Senior	<u>18,300</u>	<u>0.25</u>	<u>9,200</u>	<u>0.13</u>
Subtotal	\$851,800	11.47	\$426,100	5.75
Wildlife Management				
Natural Resources Program Manager	\$170,000	2.00	\$85,000	1.00
Wildlife Technician- Advanced	55,100	1.00	27,600	0.50
Natural Resources staff Specialist	<u>31,000</u>	<u>0.50</u>	<u>15,500</u>	<u>0.25</u>
Subtotal	\$256,100	3.50	\$128,100	1.75
Administration				
Management Information Chief	\$104,500	1.00	\$52,300	0.50
Financial Management Supervisor	85,000	1.00	42,500	0.50
Human Resources Manager	93,400	1.00	46,700	0.50
Accountant- Senior	73,100	1.00	36,600	0.50
Natural Resources Training Director	73,100	1.00	36,600	0.50
Natural Resources Liaison Specialist	73,100	1.00	36,600	0.50
Information Services Development Services	<u>15,900</u>	<u>0.20</u>	<u>8,000</u>	<u>0.10</u>
Subtotal	\$518,100	6.20	\$259,300	3.10
Customer Assistance and Employee Services (CAES)				
Natural Resources Customer Services Representative - Senior	\$55,400	1.00	\$27,700	0.50
Total	\$2,008,900	26.67	\$1,005,100	13.35



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April 22, 2015

Joint Committee on Finance

Paper #471

Repeal Car-Killed Deer Appropriations (DNR -- Fish, Wildlife, and Recreation)

[LFB 2015-17 Budget Summary: Page 318, #2]

CURRENT LAW

The Department of Natural Resources (DNR) is provided \$701,400 annually for the removal and disposal of car-killed deer from highways. Beginning with 1997 Act 27, 50% of these funds are from the fish and wildlife account and 50% are from GPR.

GOVERNOR

Repeal the appropriations for the removal and disposal of car-killed deer from highways and delete \$350,700 GPR and \$350,700 SEG annually.

DISCUSSION POINTS

1. Contracts for removal of car-killed deer are managed at the county level. In addition, the City of Superior and the City of Brookfield currently have contracts with DNR for removal of car-killed deer on roads within their cities. Currently all contracts are provided on a flat fee per year for deer removal services, while in the past some of the contracts reimbursed on a per-carcass basis. Contracting for removal at a flat fee carries the benefit of predictable annual costs; however, it provides little leverage against contractors who may not perform as efficiently as desired. Under the contracts, deer are to be removed from any roadway including state, county, and local roads. According to the Department, compliance is monitored via complaints; if DNR receives a large number of calls, the Department reviews the situation and roads and contacts the contractor. Expenditures under the contracts from fiscal years 2009-10 through 2013-14 are shown in the following table. In addition, fiscal year 2012-13 and 2013-14 car killed deer contracted pickups and

expenditures by county are shown in the attachment. Motorists involved in collisions with deer may also request a free permit from law enforcement officials, enabling them to keep the deer. However, DNR stopped collecting data regarding the number of free permits issued after fiscal year 2010-11.

Car-Killed Deer Removal

<u>Fiscal Year</u>	<u>Contractor Pickup</u>	<u>Free Permits*</u>	<u>Total Deer</u>	<u>Costs***</u>
2010	23,060	3,428	26,488	\$781,100
2011	21,673	4,441	26,114	711,400
2012	7,784**		7,784	670,500
2013	22,995		22,995	684,500
2014	23,800		23,800	687,500

*DNR stopped collecting data regarding free permits after fiscal year 2010-11.

**Fiscal year 2011-12 contractor pickup data does not include three to four months of data for most counties.

***Actual expenditures may differ from the totals shown due to timing of contract expenditures from year to year.

2. The bill would repeal the appropriations that require DNR to pay for the removal and disposal of car killed deer from highways. As the appropriation language is the only statutory language which requires DNR to pay these costs, under the bill, DNR would no longer have the responsibility for contracting for car-killed deer removal and disposal. Responsibility for car-killed deer would likely fall to the entity responsible for maintenance of the roadway on which the deer is located, such as the state, county, or local municipality. Or the deer could be left uncollected. DNR indicates that under current law and under the bill, DNR wardens would only respond to a car-killed deer if there was a threat to human safety, such as a deer or elk in the middle of the road where cars were unable to maneuver around safely, and no local law enforcement or state patrol agent was able to respond.

3. Prior to 1997, funding for the removal of car-killed deer from the roadside was split evenly between transportation fund SEG and fish and wildlife account SEG. This 50/50 split was instituted in part to recognize that car-killed deer removal from Wisconsin highways has both a highway maintenance and a wildlife management component. The state's large deer herd combined with increasing use of state roads has resulted in increased insurance costs, significant property damage and safety concerns from car-deer collisions. According to the Department of Transportation (DOT), there were a total of 18,338 car-deer collisions reported in calendar year 2013, resulting in 402 people injured and eight fatalities and a preliminary number of 17,766 in calendar year 2014, resulting in 407 people injured and nine fatalities. DOT officials indicate that these numbers may understate the number of car-deer collisions in part because not all car-deer collisions are officially reported.

4. Dead and decaying deer on the roadside are unsightly and can dampen Wisconsin's reputation as a tourist destination. If the Committee wished to restore funding for removal of car-killed deer, several alternatives could be considered. Arguably car-deer collisions are an important statewide safety concern and therefore, GPR is a potential funding source for car-killed deer removal. On the other hand, DNR is responsible for managing the state's deer herd so fish and wildlife account funds (from hunting and fishing licenses) could be seen as an appropriate

continuing funding source. However, removal of car-killed deer from roadways is arguably a transportation-related activity, so the transportation fund could be an appropriate source of funding.

5. Additionally, other sources could be considered. Forest acreage and forest habitat in the state have been increasing and may have some effect on both deer populations and the likelihood of collisions with vehicles. Therefore, the forestry account of the conservation fund may be an appropriate source of funding for a portion of car-killed deer costs. Further, areas of production agriculture may also attract deer and other wildlife and increase the carrying capacity of the surrounding habitat. Therefore, the agricultural chemical management fund (pesticide and fertilizer product and licensing fees) may be viewed by some as an appropriate source of revenue to pay a portion of car-killed deer costs. The segregated forestry account, and the agricultural chemical management fund are both expected to have available balances on June 30, 2017. Alternative A2 includes a number of potential sources to continue the program.

6. Currently, most routine state trunk highway system maintenance (which includes state, interstate, and U.S. highways), such as snowplowing, mowing and weed control, trash pickup, and recycling is performed by county workforces under contract with the state. An alternative could be to provide additional transportation fund SEG for these contracts and specify that routine highway maintenance activities under such contracts include the removal of car-killed deer [Alternative A3]. While this option would address this issue on the state trunk highway system, it would not provide funds for removal of car-killed deer from county and local roadways. As noted, the current contracts provide for the removal of deer from any roadway including state, county, and local roads.

7. If funding for car-killed deer removal is restored, administration of the program could continue to be the responsibility of DNR. However, in recent years DNR has stopped collecting certain data related to the program. DNR indicates that the Department agrees with the Governor's proposal to eliminate the car-killed deer program. In addition, concerns have been raised over the effectiveness of the current program administered by DNR. An alternative could be to have DOT administer the program [Alternative A3, or B2].

ALTERNATIVES

A. Funding

1. Adopt the Governor's recommendation to repeal the appropriations for the removal and disposal of car-killed deer from highways and delete \$350,700 GPR and \$350,700 SEG annually.

2. Modify the car killed deer appropriations to provide \$701,400 annually and require that car killed deer removal be split funded from some or all of the following sources:

ALT A2	Change to Bill
Total	\$1,402,800

- a. Fish and wildlife account SEG
- b. GPR
- c. Transportation fund SEG
- d. Forestry account SEG
- e. Agricultural chemical management fund SEG

3. Provide \$701,400 transportation fund SEG annually for contracts between DOT and counties for removal of car-killed deer from state trunk highways and specify that routine maintenance activities under such contracts include the removal of car-killed deer.

ALT A3	Change to Bill
SEG	\$1,402,800

B. Administration

In addition to Alternative A.2. specify one of the following:

- 1. Require the Department of Natural Resources (DNR) to administer the program for removal of car-killed deer from state highways.
- 2. Require the Department of Transportation (DOT) to administer the program for removal of car-killed deer from highways. Further, specify that any contracts for routine maintenance activities include the removal of car-killed deer.

Prepared by: Erin Probst
Attachment

ATTACHMENT

Car-Killed Deer Collected and Cost by County Fiscal Years 2012-13 and 2013-14

County	Fiscal Year 2012-13		Fiscal Year 2013-14	
	Deer Collected	Cost	Deer Collected	Cost
Adams	165	\$9,400	164	\$9,400
Ashland	185	5,400	105	5,400
Barron	432	7,700	504	7,700
Bayfield	343	12,300	276	10,200
Brookfield, City of	58	2,000	76	2,000
Brown	526	10,700	526	10,800
Buffalo	305	7,700	395	7,700
Burnett	47	6,600	46	7,500
Calumet	209	4,800	227	12,000
Chippewa	388	12,000	583	12,000
Clark	203	6,000	125	6,000
Columbia	539	11,900	491	11,900
Crawford	40	4,600	47	4,600
Dane	620	16,100	598	16,100
Dodge	545	11,900	525	11,900
Door	399	8,000	458	8,200
Douglas	5	6,900	19	10,200
Dunn	456	10,200	315	11,400
Eau Claire	458	12,000	603	12,000
Florence	145	2,000	109	3,000
Fond du Lac	658	12,900	387	4,800
Forest	140	2,000	66	4,300
Grant	328	9,800	433	9,800
Green	236	7,300	225	7,300
Green Lake	385	9,700	377	9,700
Iowa	174	6,900	151	6,900
Iron	44	5,500	27	5,500
Jackson	369	4,100	416	4,100
Jefferson	146	9,900	406	9,900
Juneau	353	3,700	379	3,700
Kenosha	138	7,700	124	7,700
Kewaunee	376	6,600	381	6,900
LaCrosse	376	8,100	520	8,100
Lafayette	210	6,100	110	6,100
Langlade	113	7,700	105	7,700

County	Fiscal Year 2012-13		Fiscal Year 2013-14	
	Deer Collected	Cost	Deer Collected	Cost
Lincoln	156	\$8,300	97	\$6,300
Manitowoc	502	8,400	550	8,400
Marathon	526	10,800	560	10,800
Marinette	275	14,300	326	14,300
Marquette	485	11,700	409	11,700
Milwaukee	124	6,200	135	6,200
Monroe	486	8,100	545	8,100
Oconto	388	16,700	412	16,700
Oneida	167	6,200	110	6,200
Outagamie	469	12,100	380	12,100
Ozaukee	193	7,600	161	8,400
Pepin	293	5,600	290	5,600
Pierce	143	8,000	72	7,800
Polk	255	8,600	178	8,400
Portage	258	6,600	147	6,600
Price	194	5,800	176	5,800
Racine	181	6,600	138	6,600
Richland	97	5,900	236	5,900
Rock	149	7,300	118	7,300
Rusk	158	6,500	216	7,200
Sauk	294	8,600	500	8,600
Sawyer	212	5,500	220	5,500
Shawano	845	33,700	798	33,700
Sheboygan	580	15,000	579	15,000
St. Croix	313	11,800	301	11,800
Superior, City of	23	1,500	13	1,500
Taylor	203	8,900	208	8,900
Trempealeau	501	8,100	528	8,100
Vernon	375	10,300	417	10,300
Vilas	166	10,500	106	10,500
Walworth	308	18,000	415	18,000
Washburn	439	10,000	433	10,000
Washington	684	30,000	817	24,000
Waukesha	628	20,400	1,098	24,000
Waupaca	777	11,900	812	11,900
Waushara	309	10,100	272	10,100
Winnebago	230	11,900	151	11,900
Wood	<u>495</u>	<u>10,800</u>	<u>577</u>	<u>10,800</u>
Total*	22,995	\$684,500	23,800	\$687,500

*Actual expenditures differ from the totals shown due to timing of contract expenditures from year to year.



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April 22, 2015

Joint Committee on Finance

Paper #472

Conservation Warden Overtime and Computers (DNR -- Fish, Wildlife, and Recreation)

[LFB 2015-17 Budget Summary: and Page 318, #3 and Page 319, #4]

CURRENT LAW

The Department of Natural Resources responsibilities include the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles, environmental protection, and water regulation and zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation. Conservation wardens share responsibilities with park superintendents and forest rangers for public contact on state lands. When requested, wardens assist local police and are authorized to respond when any crime is committed in their presence. Department of Natural Resources conservation wardens and other law enforcement personnel use vehicle-mounted laptop computers in their daily field operations.

GOVERNOR

Provide the following amounts, primarily from the fish and wildlife account of the conservation fund: (a) \$297,500 SEG each year on a one-time basis, for the first two years of a four-year master lease for 225 tablet computers and associated equipment for law enforcement wardens (including all permanent credentialed conservation wardens and deputy warden water guards) and seven tablet computers and associated equipment for property managers who perform law enforcement work on certain flowages, boat access sites, and the Lower Wisconsin State Riverway; and (b) \$138,800 fish and wildlife SEG annually for conservation warden overtime costs as shown in the following table:

	Law Enforcement Computers <u>Annual Amount</u>	Warden Overtime <u>Annual Amount</u>
Conservation Fund		
Fish and Wildlife Account	\$222,800	\$138,800
Boat Account	34,300	21,900
ATV Account	14,700	9,400
Forestry Account	4,000	0
Water Resources Account	3,800	2,400
Parks Account	600	0
Environmental Fund	<u>17,300</u>	<u>8,400</u>
Total	\$297,500	\$180,900

DISCUSSION POINTS

A. Law Enforcement Computers

1. Wardens utilize vehicle-mounted laptop computers which are designed to withstand rugged use on a daily basis. Due to the strenuous use conditions, DNR generally replaces these units after a three- or four-year life-cycle. The Bureau of Law Enforcement is in its fourth year for the current units. The funds provided would cover the first two years of a four-year master lease for the purchase of 232 convertible tablet computers (computers which can be used as a laptop or a tablet). As the computers are generally replaced every four years, an alternative could be to provide funding on an ongoing basis, rather than as one-time funds. This way the funds would be built into the base and the Department would not need to request additional funding each biennia. On the other hand, increased expenditure authority would increase an already existing structural imbalance in the fish and wildlife account (which would fund 75% of this item). Further, as computer technology changes rapidly and computer costs may change over a short time period, providing one-time funding each biennia and then reevaluating future funding needs also has merit.

2. The Department's initial request estimated the cost of the computers, and associated equipment, at approximately \$4,500 per unit, and indicated that the master lease is expected to be a four-year master lease at an interest rate of 6%. DNR now estimates the cost per unit might be closer to \$4,700 but this would vary depending on the model chosen. Given recent market interest rates, an interest rate of perhaps 4% might be expected. The unit price under the master lease would include: a docking station (the electronics tray a computer sits in that is mounted to a center console in a vehicle) and power supply, the convertible tablet computer itself, including touchscreen display, mechanical backlit keyboard, dual battery, integrated global positioning (GPS) capability, removable memory card, upgraded storage, wireless capability, and built in web-cam, as well as a four-year "bumper to bumper" warranty.

3. DNR has 198 authorized credentialed conservation warden positions, of which 14 are currently vacant. The bill would provide funding for 232 computers, which would provide computers for the full 198 authorized positions, 11 limited-term employee deputy water guards (who perform boating enforcement during the warmer months), two computers for troubleshooting and testing, and 14 spare units for use while a computer is being repaired.

In addition to the 225 conservation warden computers, funding would also be provided for seven tablet computers and associated equipment for property managers who perform law enforcement work on certain flowages, boat access sites, and the Lower Wisconsin State Riverway (of which one is currently vacant but expected to be filled prior to fiscal year 2015-16). While the Department indicates they plan to hire a recruit class of 15 wardens, it is likely that a vacancy rate of approximately five percent (10 full time equivalent positions) or more would still occur due to upcoming warden retirements and fish and wildlife account funding restraints. An alternative could be to provide \$261,700, which would support 213 units at a cost of \$4,500 per unit and interest rate of 4%. This would provide funding for computers for the anticipated level of filled warden positions (188), 11 LTE deputy water guards, and seven property management law enforcement staff, as well as provide two computers for troubleshooting and testing, and five spare units for temporary use in the field while a computer is repaired [Alternative A2]. This would represent 19 fewer units than under the bill, but 13 more than the 200 budgeted under the last master lease.

B. Warden Overtime

1. According to the Department, overtime for wardens has historically provided the equivalent of 36 full time equivalent (FTE) worth of work (approximately 74,900 hours of overtime) annually. However, the amount of funding has covered less than the full 74,900 hours over the last several years (approximately 74,000 hours in fiscal year 2011-12, 72,600 in fiscal year 2012-13, and 72,500 in fiscal year 2013-14). Actual warden overtime costs exceeded available funding by approximately \$19,200 in fiscal year 2011-12, \$10,100 in fiscal year 2012-13, and \$378,200 in fiscal year 2013-14. While actual costs exceeded available funding by less in fiscal years 2011-12 and 2012-13 than in fiscal year 2013-14, this was largely due to a higher vacancy rate among wardens (over 10% in fiscal year 2011-12 and approximately 8% in fiscal year 2012-13 compared to a vacancy rate of 5.3% in fiscal year 2013-14). The Department indicates they have had to reduce expenditures in other areas in order to cover warden overtime costs such as reducing deputy limited-term employee (LTE) wardens, reducing fleet mileage, or maintaining vacancies. The additional funding provided under the bill would be expected to support approximately 74,800 hours of overtime.

2. The Department indicates that reducing other operations in order to cover warden overtime costs reduces the Department's ability to provide public safety and resource protection at the level expected by the public. For example, reducing deputy LTE wardens may result in reduced backup during hunting seasons, and reducing fleet mileage may result in fewer warden safety patrols conducted. On the other hand, providing increased expenditure authority could exacerbate the existing structural imbalance in the fish and wildlife account. As actual warden overtime hours vary from year to year, an alternative could be to provide \$104,000 in funding which would cover approximately 72,500 hours, or 34.8 FTE worth of overtime [Alternative B.2]. This would provide a level of funding consistent with the level covered in fiscal years 2012-13 and 2013-14.

Fish and Wildlife Account

1. The fish and wildlife account of the conservation fund would fund three quarters or more of the two items. Given the continuing structural imbalance in the fish and wildlife account (fiscal year 2013-14 revenues of \$74.3 million were \$3.3 million lower than authorized

expenditures of \$77.6 million), the Department will need to continue to limit expenditures to maintain a positive account balance. If the proposed expenditure authority is not provided, DNR indicates that the Department will still make the payments on the master lease for conservation warden tablet computers and would be unlikely to be able to significantly reduce warden overtime expenditures. Since fish and wildlife account revenues are insufficient to fund existing expenditure levels, in order to provide for the warden computers and overtime, the Department will need to further reduce other base-level expenditures. An alternative could be to eliminate one or both of the items with increased fish and wildlife expenditures [Alternatives A.3. and B.3.] in order to avoid increasing the structural imbalance. DNR would fund the computers and overtime within the overall restraints of existing budget authority.

ALTERNATIVES

A. Law Enforcement Computers

1. Adopt the Governor's recommendation to provide \$297,500 each year to support the first two-years of a master lease for the purchase of 232 law enforcement computers. Specify that the funds be provided as:

- a. One-time
- b. Ongoing

2. Provide \$261,700 (a reduction of \$35,800 each year) to support a master lease for the purchase of 213 law enforcement computers. Specify that the funds be provided as:

ALT A2	Change to Bill
SEG	- \$71,600

- a. One-time
- b. Ongoing

3. Delete provision (-\$297,500 each year).

ALT A3	Change to Bill
SEG	- \$595,000

B. Warden Overtime

1. Adopt the Governor's recommendation to provide \$180,900 annually for warden overtime.

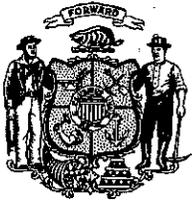
ALT B2	Change to Bill
SEG	- \$153,800

2. Provide \$104,000 annually for warden overtime costs (a reduction of \$76,900 annually).

3. Delete provision (-\$180,900 annually).

ALT B3	Change to Bill
SEG	- \$361,800

Prepared by: Erin Probst



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April 22, 2015

Joint Committee on Finance

Paper #473

Recreational Vehicle Reestimates (Miscellaneous Appropriations and DNR -- Fish, Wildlife, and Recreation)

[LFB 2015-17 Budget Summary: Page 296, #5 and Page 319, #5]

CURRENT LAW

Annually, motor fuel tax revenue is transferred to the water resources, snowmobile, and all-terrain vehicle (ATV) accounts based on recreational vehicle registrations.

MODIFICATION

Provide \$1,219,900 for the following changes to the recreational vehicle fuel tax transfers budgeted under Miscellaneous Appropriations to reflect registrations based on more recent data.

	<u>2015-16</u>	<u>2016-17</u>
Water Resources		
Bill	\$13,066,600	\$12,950,700
Change to Bill	<u>109,800</u>	<u>289,300</u>
Total Reestimate	\$13,176,400	\$13,240,000
Snowmobile		
Bill	\$5,465,900	\$5,356,600
Change to Bill	<u>-197,900</u>	<u>-86,600</u>
Total Reestimate	\$5,268,000	\$5,270,000
ATV		
Bill	\$1,595,800	\$1,573,400
Change to Bill	<u>445,100</u>	<u>511,600</u>
Total Reestimate	\$2,040,900	\$2,085,000
UTV		
Bill	\$139,100	\$139,100
Change to Bill	<u>55,700</u>	<u>92,900</u>
	\$194,800	\$232,000
Change to Bill	\$412,700	\$807,200

In addition, reestimate the associated DNR snowmobile, ATV, and UTV local trail aids appropriations by the same amounts to reflect available fuel tax revenues. Further, increase the snowmobile supplemental trail aids appropriation to reflect reestimated non-resident trail pass sales and a 2013 Act 142 increase in the amount transferred per non-resident snowmobile trail pass sold the prior year, beginning with fiscal year 2016-17.

TABLE 2

DNR Appropriation Reestimates

	<u>2015-16</u>	<u>2016-17</u>
Snowmobile Trail Aids	-\$197,900	-\$86,600
Snowmobile Supplemental Trail Aids	24,000	246,500
ATV Trail Aids	445,100	511,600
UTV Trail Aids	<u>55,700</u>	<u>92,900</u>
Change to Bill	\$326,900	\$764,400

Explanation: Motorboat: The transfer to the water resources account is based on: (a) the motor fuel tax rate of 30.9¢ per gallon; (b) the actual 609,172 motorboats registered on January 1, 2015, and an estimated 612,112 motorboats registered on January 1, 2016, multiplied by 50 gallons; and (c) multiplied by 1.4.

Snowmobile: The transfer to the snowmobile account is based on: (a) the motor fuel tax rate of 30.9¢ per gallon; (b) the actual 219,980 snowmobiles registered on March 31, 2015, and an estimated 220,065 snowmobiles registered on March 31, 2016; and (c) multiplied by 1.55. Including appropriated registration revenues, local snowmobile trail aids would be budgeted at \$8.3 million in 2015-16 and \$8.6 million in 2016-17.

ATV: The transfer to the ATV account is based on: (a) the motor fuel tax of 30.9¢ per gallon and (b) the actual 264,194 ATVs registered on February 28, 2015, and an estimated 269,903 ATVs registered on February 28, 2016, multiplied by 25 gallons. Local ATV trail aids would total approximately \$3.7 million each year.

UTV: The transfer to the ATV account for utility-terrain vehicles is based on: (a) the motor fuel tax of 30.9¢ per gallon and (b) the actual 25,214 UTVs registered on February 28, 2015, and an estimated 30,032 UTVs registered on February 28, 2016, multiplied by 25 gallons. UTV trail aids would be approximately \$195,000 in 2015-16 and approximately \$232,000 in 2016-17.

Change to Bill	
SEG	\$2,311,200

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April 22, 2015

Joint Committee on Finance

Paper #474

Snowmobile Supplemental Trail Aids Joint Finance Requests (DNR -- Fish, Wildlife, and Recreation)

CURRENT LAW

The Department of Natural Resources (DNR) distributes aids to participating counties for the maintenance, development, and acquisition of land to support approximately 18,700 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds the maintenance and development of approximately 600 miles of snowmobile trails on state park, trail, recreation area, and forest lands.

County expenditures eligible for state aid (listed in priority order) are as follows: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year; (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or snowmobile club contracting with DNR for work on a state property is eligible for supplemental trail aid payments up to a total of \$750 per mile, if actual eligible costs exceed the maximum of \$250 per mile for basic trail aids. Of the costs incurred, actual trail grooming costs must exceed \$150 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the 40% multiplier to the snowmobile fuel tax transfer formula (increased to 55% beginning in 2013-14). Further, \$32 from each \$35 non-resident trail pass sticker sold in the prior year is also made available for this purpose. Under 2013 Act 142, for fiscal years 2016-17 to 2019-20, DNR is to credit \$47 from each \$50 nonresident annual trail use sticker to the supplemental trail aids appropriation. If the supplemental aid payable to counties exceeds funding available from these two sources, s. 350.12(4)(br) of the statutes specifies that the Department may either prorate the claims or request that the Joint Committee on Finance take action under s. 13.101 (without the requirement

of finding an emergency).

GOVERNOR

No provision.

DISCUSSION POINTS

1. The following table shows supplemental trail aid payments from the 1990-91 snowmobile season through the 2013-14 season. The table shows the total eligible amount requested by counties, the amount paid in supplemental aids, and the level of proration. Supplemental payments for a snowmobile season are paid in the following fiscal year.

Supplemental Snowmobile Trail Maintenance Payments

<u>Snowmobile Season</u>	<u>Fiscal Year</u>	<u>Total Request</u>	<u>Total Payment</u>	<u>% of Request Paid</u>
1990-91	1992	\$352,800	\$352,800	100%
1991-92	1993	923,000	701,500	76
1992-93	1994	983,900	724,600	74
1993-94	1995	889,800	838,400	94
1994-95	1996	477,700	477,700	100
1995-96	1997	1,925,500	1,036,200	54
1996-97	1998	2,130,000	1,642,300	77
1997-98	1999	731,000	731,000	100
1998-99	2000	1,182,200	1,182,200	100
1999-00*	2001	\$1,514,100	\$1,514,100	100
2000-01*	2002	2,770,200	2,770,200	100
2001-02	2003	589,200	589,200	100
2002-03	2004	372,100	372,100	100
2003-04	2005	2,394,000	1,915,500	80
2004-05	2006	1,978,800	1,854,200	94
2005-06*	2007	1,942,200	1,942,200	100
2006-07	2008	1,068,800	1,068,800	100
2007-08*	2009	3,856,100	2,395,700	62
2008-09*	2010	2,648,100	2,254,700	85
2009-10*	2011	2,798,100	2,318,600	83
2010-11	2012	3,551,600	2,165,800	61
2011-12**	2013	1,028,800	1,028,800	100
2012-13	2014	3,185,500	2,515,600	79
2013-14***	2015	4,498,600	3,016,500	67

*Payments for these seasons were supplemented through action by the Joint Committee on Finance.

**Includes \$11,400 in payments for 10-11 season.

***Includes \$301,200 from snowmobile registration revenues allocated by DNR.

2. As shown in the table, supplemental amounts have fully funded eligible requests in eleven years (including four years where the Joint Committee on Finance approved an additional allocation) and funding has been prorated in thirteen years (including three years in which the Committee approved an additional allocation). In all cases where DNR requested an additional allocation, Joint Finance approved an additional allocation.

3. The supplemental trail aids for the 2013-14 snowmobile season (fiscal year 2014-15) included approximately \$301,200 in funding from the general snowmobile account appropriation (primarily registration revenues) for county snowmobile aids [20.370(5)(cr)]. It could be argued that DNR is required under s. 350.12(4)(br) of the statutes, to submit a request to the Joint Committee on Finance for approval to use funds beyond those available under s. 350.12(4)(bg) (55% snowmobile gas tax multiplier and designated nonresident sticker revenues) for supplemental trail aids. However, DNR argues that the Department is not required to submit a request to the Joint Committee on Finance in order to use funds from the county snowmobile aids appropriation [s. 20.370(5)(cr)] to pay supplemental trail aids to counties under s. 350.12(4)(bg) of the statutes because: (a) no supplement from a general revenue appropriation is being requested; and (b) no change between appropriations will occur.

4. However, in the past, the Department has submitted requests to the Joint Committee on Finance under s. 350.12 and 13.101 when both of these conditions were also met. For example, from fiscal year 2000-01 through fiscal year 2008-09, DNR submitted four requests to Joint Finance related to supplemental snowmobile trail aids under s. 13.101. The Committee approved these requests on December 19, 2000, December 18, 2001, December 14, 2006, and December 17, 2008. In each case, the Department requested the transfer of funds within the motor fuel tax transfer appropriation [s. 20.370(5)(cs)] from basic snowmobile trail aids to be used for supplemental trail aid payments. Under the Department's argument, this would not have been necessary as there was no change between appropriations and no supplement from a general revenue appropriation. Further, if these requests had not been granted, the Department would have had to prorate the payments. For example, in the case of the December 14, 2006, approval, an eligible request had been omitted from the initial payments and if the requested transfer had not been approved, the Department would have had to recoup a portion of the payments already made, and establish a prorated amount.

5. More recently, in March and December, 2010, the Department submitted requests to the Joint Committee on Finance to increase the expenditure authority in the appropriation for county snowmobile aids [20.370(5)(cr)] in fiscal years 2009-10 and 2010-11 to be used for supplemental snowmobile trail aids. These requests were made after 2007 Act 226 increased the fee for the non-resident snowmobile trail pass from \$18 to \$35, without increasing the amount set aside for supplemental trail aids. As a result, \$15 of the revenue from trail use stickers was available for supplemental trail aids while the remainder (\$20 less issuing fees) was credited to the general snowmobile account. The Department asked that (5)(cr) be increased by an amount equal to an additional \$17 per nonresident trail use sticker to be made available for supplemental trail aids (\$32 total). [2011 Act 32 increased the amount set aside from each non-resident snowmobile trail pass from \$15 to \$32.] Due to the nature of the appropriations, the increase in expenditure authority could not be made under the nonresident trail sticker appropriation (5)(cw) or the gas tax formula appropriation (5)(cs).

6. It could be argued that the fact that the Joint Committee on Finance's powers to supplement a SEG appropriation under s. 13.101 were required to be exercised for the two 2010 requests does not render s. 350.12 (4)(br) null when this transfer authority is not required. On the other hand, DNR argues that because appropriation (5)(cr) is authorized to be used for both basic and supplemental trail aids, the Department may use available funds in (5)(cr) for supplemental trail aids without submitting a request to Joint Finance. It may not be clear whether s. 350.12(4)(bg) requires the Department to submit a request to the Joint Committee on Finance. However, as demonstrated by past DNR requests for Joint Finance review, it could be argued this is required even when additional expenditure authority is not being requested.

7. If the Committee wishes to require DNR to submit a request to Joint Finance in all cases where the Department plans to utilize funds beyond those statutorily specified for supplemental snowmobile trail aids, the Committee could clarify that this is required [Alternative 1]. On the other hand, the Committee has approved each request for additional allocations for supplemental snowmobile trail aids in the past, and might consider allowing the Department to utilize other available snowmobile account funds for supplemental trail aids without Joint Finance approval [Alternative 2].

ALTERNATIVES

1. Modify s. 350.12(4)(br) of the statutes to specify that if supplemental snowmobile aids payable to counties and to the Department exceeds the moneys available from the snowmobile gas tax multiplier and nonresident snowmobile sticker transfer, DNR may only do the following or any combination of the following: (1) prorate the payments; or (2) request the Joint Committee on Finance to take action under s. 13.101 and specify that the finding of an emergency is not required for such requests.

2. Modify s. 350.12(4)(br) of the statutes to specify that if supplemental snowmobile trail aids payable to counties and to the Department exceeds the moneys available from the snowmobile gas tax multiplier and nonresident snowmobile sticker transfer, DNR may prorate the payments or may provide additional funding from other available snowmobile account funds including funds from appropriation 20.370(5)(cr) (county snowmobile aids) and 20.370(5)(cs) (motor fuel tax transfer).

3. Take no action. [Whether the Department would submit requests to JFC for additional allocations for supplemental snowmobile trail aids would depend on DNR interpretation of the provision under s. 350.12(4)(br).]

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April 22, 2015

Joint Committee on Finance

Paper #475

ATV Landowner Incentive Program (DNR -- Fish, Wildlife, and Recreation)

CURRENT LAW

While current law requires the Department of Natural Resources (DNR) to establish a program to make incentive payments to private landowners who permit public all-terrain vehicle (ATV) corridors on their lands and who apply for the payments, the Department has not established such a program.

GOVERNOR

No provision.

DISCUSSION POINTS

1. 2007 Act 20 created an ATV landowner incentive program and redirected all non-resident trail pass revenues from the local trail aids appropriation to a continuing appropriation for landowner incentive program payments beginning in 2008-09. The program would provide grants to private landowners who permit public all-terrain vehicle corridors on their lands. Landowners may receive annual incentive payments at the following rates based on the number of days the trail was open for public use during the previous fiscal year: (a) \$25 for each mile that was open for public use for at least 60 but less than 180 days; (b) \$75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) \$100 for each mile that was open for public use for 270 days or more.

2. Non-resident trail pass sales are a major source of revenue to the ATV account (in addition to a transfer of motor fuel tax and ATV registrations). 2011 Act 208 broadened this pass to cover utility terrain vehicles (UTVs) as well as ATVs (2007 Act 20 increased the fee for the annual sticker from \$18 to \$35). In addition, 2011 Act 208 created a five-day ATV or UTV trail pass for a

fee of \$20, effective July 1, 2012. ATVs and UTVs not registered in Wisconsin are required to display a trail use sticker to use public ATV corridors. The trail pass must be attached to the ATV or UTV in a highly visible location on the forward half of the vehicle. Act 208 also changed the expiration date of the annual trail passes from June 30 to March 31 of each year. In fiscal year 2013-14, 1,171 five-day non-resident trail passes and 12,711 annual non-resident trail passes were sold generating a total of approximately \$461,600 in revenue.

3. The ATV landowner incentive appropriation was converted to a biennial appropriation by 2011 Act 32, whereby the amount specified in the appropriation schedule, is the amount, from revenues from non-resident trail pass sales, which may be committed from the appropriation each biennium. Any remaining uncommitted balance at the close of the biennium, and any revenues from the annual sale of non-resident trail passes beyond the amount in the appropriation schedule, are deposited to the balance of the ATV account. No landowner incentive grants were awarded in fiscal years 2008-09 through 2010-11. As a result, 2011 Act 32 lapsed \$1,299,900 from the appropriation to the balance of the segregated ATV account in 2011-12.

4. No landowner incentive grants have ever been awarded under the program. While \$405,900 is appropriated for these grants in fiscal year 2014-15, DNR indicates the Department does not plan to award any landowner incentive grants in fiscal year 2014-15, meaning the full biennial amount of \$811,800 would lapse to the balance of the ATV account at the close of fiscal year 2014-15. Further, DNR indicates the Department does not plan to award any landowner incentive grants over the 2015-17 biennium.

5. The Department is advised on ATV matters by the Off-road Vehicle (ORV) Council. According to DNR, over the last few years, the Council has not indicated any local interest in the landowner incentive grant program. As there does not appear to be demand for the ATV landowner incentive grants, the statutory program language could be deleted. Non-resident trail pass revenues would then be deposited in the balance of the ATV account. Under Alternative 1 (and under the bill, as DNR indicates the \$811,800 in authorized grants under the land owner incentive program would lapse on June 30, 2017), the ATV account could be expected to have a closing available balance of approximately \$1.4 million on June 30, 2017.

6. Given the anticipated balance of the account, another alternative could be to redirect a specified amount associated with the non-resident trail pass revenues to the local ATV trail aids appropriation. Currently, revenues from the ATV fuel tax transfer, and a portion of ATV registration and trail pass revenues are used to provide grants to towns, villages, cities, counties and federal agencies for any of the following types of ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas and shelters); (c) development and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs and UTVs. Non-resident trail passes (including the five-day trail pass) are expected to generate approximately \$425,000 in fiscal year 2014-15. If \$425,000 in nonresident trail pass revenues were to be redirected to local ATV trail aids, the account would be expected to have an available closing balance of approximately \$550,000 on June 30, 2017 [Alternative 2]. This would provide an approximately 11.5% increase for local trail aids (from just over \$3.7 million each year to over \$4.1 million).

7. In order to provide a more modest increase, \$225,000 annually (6%) could be provided [Alternative 3]. In addition, this would provide a cushion in case of fluctuation in trail pass revenues. Under this alternative, the account could be expected to have a closing available balance of approximately \$950,000 on June 30, 2017.

ALTERNATIVES

1. Repeal the ATV landowner incentive program and delete the \$405,900 annual appropriation. (All revenues from non-resident trail pass sales would be deposited to the balance of the ATV account.)

ALT 1	Change to Bill
SEG	-\$811,800

2. Repeal the ATV landowner incentive program and associated \$405,900 annual appropriation. Instead, provide an additional \$425,000 annually for local ATV trail aids (the estimated amount of non-resident ATV trail pass revenue deposited in the account).

ALT 2	Change to Bill
SEG	\$38,200

3. Repeal the ATV landowner incentive program and associated \$405,900 annual appropriation. Instead, provide an additional \$225,000 annually for local ATV trail aids.

ALT 3	Change to Bill
SEG	-\$361,800

4. Take no action. (The \$405,900 amount appropriated annually and related statutory language authorizing the ATV landowner incentive program would remain. Any uncommitted balance at the close of each biennium, estimated at the full \$811,800 in 2015-17, would lapse to the balance of the ATV account.)

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Joint Committee on Finance

Paper #476

Wolf Depredation Program Appropriation (DNR -- Fish, Wildlife, and Recreation)

CURRENT LAW

2011 Act 169 established a wolf harvest season. Revenue from the licenses (currently \$49 resident and \$251 non-resident) and application fees (\$10) are primarily used to administer a wolf depredation program. The wolf damage program provides payments to persons who apply for reimbursement for damage caused by wolves to livestock, hunting dogs (other than those used in wolf hunting) and pets, and control activities conducted by the Department aimed at reducing wolf damage. The wolf harvest season and damage payments only apply if the wolf is not listed on the U.S. list of endangered and threatened species or the state list of endangered and threatened species.

GOVERNOR

No provision.

DISCUSSION POINTS

1. On December 19, 2014, in response to a lawsuit brought against the United States Fish and Wildlife Service (USFWS), the Federal District Court for the District of Columbia vacated the 2012 USFWS decision which delisted gray wolves in the western Great Lakes. (Wisconsin delisted the gray wolf in 2004, and as of January 27, 2012, the gray wolf was no longer a federally endangered species in Wisconsin and other parts of the western Great Lakes region). The ruling returned gray wolves in the western Great Lakes region, including Wisconsin, to the federal endangered species list. According to DNR, the implications of the ruling include the following: Wisconsin is not authorized to implement a wolf harvest season; permits which had allowed lethal removal of wolves issued to landowners experiencing wolf conflicts are no longer valid; DNR is

generally not authorized to use lethal control as part of its wolf management program (non-lethal tools and depredation compensation remain available); landowners may not kill wolves in the act of attacking domestic animals; and under federal law, dogs may not be trained or used to track wolves.

2. Prior to 2011 Act 169, the Department paid wolf damage claims (and claims for damage caused by other threatened or endangered species) from the endangered resources program. Under current law, if the gray wolf is on the federal endangered species list, DNR may use the segregated endangered resources account and the GPR appropriation used to match certain endangered resources voluntary contributions to pay claims for damage associated with gray wolves. The endangered resources account is primarily funded through the voluntary endangered resources corporate and individual income tax check-off and sales of the endangered resources license plate. DNR indicates they may also utilize federal grants from the U.S. Fish and Wildlife Service (livestock demonstration grant) for wolf depredation payments.

3. As DNR will not be permitted to hold a wolf harvest season while the gray wolf remains on the federal endangered species list, the fish and wildlife account appropriation for the deposit of all moneys received from wolf harvest season revenues to be used for the wolf depredation program could be reestimated at zero for the 2015-17 biennium [Alternative 1]. DNR officials indicate that even if the wolf were to be delisted at the federal level, this would need to occur by early July, 2016 in order for the Department to implement a wolf harvest season in fall, 2016, and by early July, 2017 for fall, 2017. As a continuing, all moneys received appropriation, if a wolf hunt were allowed during the 2015-17 biennium, DNR could seek DOA approval to expend any revenues received for the wolf damage program.

ALTERNATIVES

1. Delete \$249,000 annually from the conservation fund appropriation for the deposit of all moneys received from wolf harvesting licenses and processing fees [20.370(5)(fv)]. (The statutory authority would remain but the appropriation would be estimated at zero in each year.)

ALT 1	Change to Bill
SEG	- \$498,000

2. Take no action. (The appropriation would remain estimated at \$249,000 in each year.)

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NATURAL RESOURCES

Fish, Wildlife, and Recreation

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
1	Wisconsin Walleye Initiative Funding Adjustment
6	Antique Snowmobile Registrations
7	Ginseng License Revenues and Funding

