



STATE OF WISCONSIN

Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

DATE: March 22, 2006

TO: Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*
State Auditor

SUBJECT: Proposed Audit of Wetland Permitting and Mitigation Programs—Background
Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering a request from several legislators to audit Wisconsin's wetland permitting and mitigation programs. These programs are administered by the Department of Natural Resources (DNR).

Wetlands are an important part of Wisconsin's natural resources. They provide water quality benefits and flood protection, as well as habitat for many species of plants and animals. Wetlands occur on both private and public lands, and alterations to them are regulated under a complex set of state, federal, and local laws. DNR issues permits for many types of activities that affect wetlands, including grading, filling, removing, or disturbing the soil. Statutes require DNR to charge a fee based on the estimated time it spends in reviewing, investigating, and making permit determinations.

Data reported by DNR indicates that from January through September 2004 it approved 448 wetland permits. More recent data are not readily available.

Two pieces of legislation have had significant effects on the wetland permitting program. 2003 Wisconsin Act 118 was enacted to improve the timeliness of the permit decision making process. Administrative rules implementing the new statute went into effect in May 2005. 1999 Wisconsin Act 147 created a wetland compensatory mitigation program. The program involves the restoration, enhancement, and creation of wetlands to compensate for wetlands lost through the filling or dredging of existing wetlands.

Questions have been raised about how DNR balances the need for wetlands preservation with responsible development practices. In addition, interest has been expressed in assessing the consistency, timeliness, and cost of the procedures used by DNR's regional offices in making permitting decisions.

An audit of DNR's wetland permitting and mitigation programs could:

- review trends in fee revenues, expenditures, and staffing levels;
- review changes in the permitting process resulting from the passage of 2003 Wisconsin Act 118;
- analyze trends in the number of permit applications received, the amount of time taken by DNR for permit determination decisions, the number of acres affected, and permit approval rates;
- analyze the effects of the wetland compensatory mitigation program, including changes in the amount and type of wetlands in Wisconsin;
- analyze performance differences among DNR's regions; and
- review similar wetland permitting and mitigation programs in a few surrounding states, including Minnesota.

If you have any additional questions regarding this request, please contact me.

JM/PS/bm

cc: Senator Robert Cowles
Senator Scott Fitzgerald
Senator Mark Miller
Senator Julie Lassa

Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Travis
Representative David Cullen

Senator Ronald Brown
Senator Sheila Harsdorf
Senator David Zien

Representative Barbara Gronemus
Representative Robin Kreibich
Representative Terry Moulton
Representative Terry Musser
Representative Mark Pettis
Representative Scott Suder
Representative Jeffrey Wood

Scott Hassett, Secretary
Department of Natural Resources