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**Testimony of Mary Rose Teves, Director
DNR Bureau of Community Financial Assistance
Before Senate Committee on Natural Resources and Environment
Regarding Clearinghouse Rule 10-127 (Administration of Stewardship Grants)**

October 17, 2011

Good afternoon. I am Mary Rose Teves, Director of the Bureau of Community Financial Assistance at the Department of Natural Resources. I am here today to testify on Clearinghouse Rule 10-127.

The Knowles-Nelson Stewardship Program was established in 1989 and has been invaluable in insuring Wisconsin's outdoor heritage by preserving special places and creating recreational opportunities for citizens and visitors alike. The Program was reauthorized in October 2007 for another decade. The Program has a budget of \$60 million each year. Part of that money is used by the Department to acquire and develop properties. The rest of the money is disbursed as cost-sharing grants to local governments, nonprofit conservation organizations, and Friends groups. Chapter NR 51 is the administrative code that administers the grant portion of the Stewardship Program. This code was last revised in August 2001. Several statutory changes have been made to the Program since then. The many updates made to ch. NR 51 are summarized in the attached table.

Let me highlight a few of those changes:

- Three new subchapters were added to address changes to the program resulting from reauthorization of the Stewardship Program in *2007 Wis. Act 20*.
- As it has been 10 years since ch. NR 51 was last revised, we incorporated existing grant practices into the rule and make grammar, organizational, and other housekeeping changes.
- Over the years we've observed that sellers need a bit more time to conclude transactions, so we've extended the time for escrow closings from 30 days to 45 days (the industry standard).

Thank you for the opportunity to provide the Committee with information on revisions to ch. NR 51. I would be happy to answer questions you may have at this time.

SUMMARY OF CHANGES TO CH. NR 51, GROUPED BY CATEGORY

1. NEW LANGUAGE ADDED DUE TO 2007 WIS. ACT 20.

- a. Developed subchapter for County Forest Grants (s. 23.0953 (2) (a) 1). *Section 168*
- b. Developed subchapter for Grants to Counties when assisting at the request of the DNR (s. 23.0953 (2) (a) 2). *Section 168*
- c. Developed subchapter for Recreational Boating (s. 23.0917 (4j)). *Section 168*
- d. Added language to allow for Nonprofit Conservation Organizations (NCOs) grants up to 75% cost share (s. 23.096 (2m)). This will require NR board review and approval. *Section 26*
- e. Added language regarding ch. NR 52 (s. 23.0916). *Section 39*
- f. Added language regarding required signage (s. 23.09165 (3)). *Section 36*

2. ADMINISTRATIVE DETAILS.

- a. Combined provisions that apply to all grants from throughout the old rule in one place. *Section 22*
- b. Removed redundancies.
- c. Fixed grammatical errors.
- d. Removed items that are no longer relevant, such as the DNR's use of Habitat Restoration Areas.
- e. Updated the list of designated state trails.
- f. Defined terms not previously defined.

3. CODIFYING PAST PRACTICES.

- a. Developed language to encumber the land when Local Units of Governments (LUGs) are given development grants and define requirements of boundaries for development projects. *Section 109*
- b. Defined Wildlife Based Recreation. *Section 60*
- c. Developed language to allow for cost-sharing for up to \$1000 of attorney's fees. *Section 2*
- d. Expanded definition of support facility to include playgrounds. *Sections 13 & 125*
- e. Added language to require that properties used as donated match must be eligible for the same subprogram for which the purchase property is eligible. *Section 22 – NR 51.006(3)(c)*
- f. Removed the allowance for opinions of title, requiring title insurance only. *Section 41*
- g. Added language to enhance the requirements for land management plans for natural area projects. *Section 48*

4. ADDRESSING HISTORICAL ISSUES.

- a. Removed language requiring that Natural Area projects always be funded. *Sections 49 & 51*
- b. Enhanced requirements for NCOs to be eligible for grants. *Section 31*
- c. Added language requiring that transfers of Stewardship properties from NCOs to LUGs must also meet municipality boundary approval requirements. *Section 22 – NR 51.005 (10)*
- d. Added language to require that LUGs grant contracts be recorded. *Sections 10 & 111*
- e. Clarified that partial payments are possible to Friends Groups if grant advances of less than 100% are provided. *Sections 87 & 93 – NR 51.85(6)*

5. NEW POLICIES.

- a. Extend time for escrow closings from 30 days to 45 days. *Section 41 – NR 51.08 (4)(b)*
- b. Extend time for use of residual value to 36 months. *Section 22 – NR 51.006 (3)(d)*
- c. Allow for up to \$1000 of cost-sharing for signage requirements. *Section 22 – NR 51.006(4)*
- d. Increased the required lease length on properties not owned by the sponsor from 20 to 25 years. *Section 108*
- e. Require Natural Resources Board notification of all grants awards that are subject to Joint Finance review. *Section 22 - NR 51.005(12m)*

[end]