

State of Wisconsin

**DEPARTMENT OF
NATURAL RESOURCES**

**2015-2017
BIENNIAL BUDGET
PROPOSAL**



Recommended by:
Cathy L. Stepp, Secretary
To the Natural Resources Board
September 2014

CORRESPONDENCE/MEMORANDUM

DATE: September 12, 2014

TO: Natural Resources Board

FROM: Cathy L. Stepp, Secretary
Department of Natural Resources



SUBJECT: Proposed Department of Natural Resources State Budget: 2015-17

Enclosed for your review and action are my recommendations for the Department of Natural Resources 2015-17 Biennial State Budget.

This is a restrained budget package, reflecting our desire to operate the Department within the resources available and the Department of Administration's policy guidance. The proposed two-year DNR budget is \$577.3 million for 2015-16 and \$577.4 million for 2016-17. In total, the two-year budget includes an increase of about \$5 million over the 2013-15 Biennial Budget. \$3.5 million of this two year increase represents standard cost to continue items as defined by DOA, which are primarily composed of the difference in amounts budgeted for salaries versus actual salary costs.

This budget in total reflects a 0.43% increase over the 2014-15 base. There are no GPR increases included in the budget. Increases that are included are primarily Conservation Fund financed. These increases will be used to maintain Park, Forest and Law Enforcement operations. A table outlining these requests follows in this overview on page iv.

This budget includes a decrease of 1.0 FTE to the Department's base staffing complement, bringing overall staffing to 2,641.54.

I look forward to presenting these proposals and discussing them with you at your September meeting.

2015-17 DNR BIENNIAL BUDGET
(in millions of \$)
(Subtotals may vary slightly due to rounding)

Secretary's Recommendations	DNR 2014-15 Base Doubled	Cost to Continue	Requests Beyond Base	2015-17 TOTAL Budget Request	% Change to Base	% of Total Budget
General Purpose Revenues	\$273.9	\$0.7	-\$1.8	\$272.7	-0.7%	23.6%
Conservation Fund	476.7	0.6	3.2	480.5	0.8%	41.6%
Environmental Fund	135.2	1.0	0.1	136.3	0.7%	11.8%
Clean Water Fund	4.3			4.3	-2.3%	0.4%
PECFA-SEG	21.5	0.7		22.2	-2.8%	1.9%
Dry Cleaner Environmental Response Fund	2.1	0.1		2.1	0.0%	0.2%
Program Revenue	67.8	1.1	-0.1	68.8	1.5%	6.0%
Tribal Gaming Agreement Revenue	3.2			3.1	-3.1%	0.3%
Federal Revenues	165.1	-0.5		164.6	-0.4%	14.2%
Total	\$1,149.7	\$3.5	\$1.5	\$1,154.7	0.38%	100.0%

Department of Natural Resource Staffing by Funding Source				
Secretary's Recommendations	DNR 2014-15 Base (FTE)	Changes to Base (FTE)	2015-17 TOTAL Budget Request (FTE)	% of Total Budget
General Purpose Revenues	277.20		277.20	10.5%
Conservation Fund	1,443.56		1,443.56	54.6%
Environmental Fund	120.10		120.10	4.6%
Clean Water Fund	15.00		15.00	0.6%
PECFA-SEG	41.45		41.45	1.6%
Dry Cleaner Environmental Response Fund	3.00		3.00	0.1%
Program Revenue	235.14		235.14	9.0%
Tribal Gaming Agreement Revenue	12.00		12.00	0.5%
Federal Revenues	<u>494.59</u>	<u>(1.00)</u>	<u>493.59</u>	<u>18.6%</u>
Total	2,642.04	(1.00)	2,641.04	100.0%

**Department of Natural Resources
2015-17 Biennial Budget Request**

		FY 2015-16 \$\$\$	FY 2016-17 \$\$\$	FTE
1	2014-15 Adjusted Base Budget	574,854,600	574,854,600	2,642.04
2	Standard Budget Adjustments	1,696,100	1,807,000	(1.00)
3	Forestry Operations			
4	Maintaining Base Forestry Operations	200,500	200,500	
5	Forestry Field Data Recorders-Master Lease	<u>76,900</u>	<u>76,900</u>	
		277,400	277,400	
6	Parks & Southern Forests Operations			
7	LTE Funding Increase	322,500	322,500	
8	Utilities Funding Increase	180,400	180,400	
9	New Property Operations.	<u>150,000</u>	<u>150,000</u>	
		652,900	652,900	
10	Law Enforcement Operations			
11	Law Enforcement Overtime Funding	347,700	347,700	
12	Enforcement Computer Master Leases-- Law Enforcement-Parks-Forestry-Facilities Management	378,200	378,200	
13	Removal of One-Time Walleye Initiative Capacity Grant Funding	(900,000)	(900,000)	
14	Program Revenue Reestimates	(26,100)	(26,100)	
15	Total New Requests #'s 3 thru 14	730,100	730,100	
16	Total Change Including Standard Budget Adjustments	2,426,200	2,537,100	(1.00)
17	New Total Budget	577,280,800	577,391,700	2,641.04
18	Biennial % Growth		0.43%	

2015-17 Biennial Budget Bonding Requests			
	Program	2013-15 Authorized	<i>2015-17 Proposed</i>
1.	Dam Repair and Removal	4,000,000	4,000,000
2.	Targeted Runoff Management (TRM)	7,000,000	7,000,000
3.	Urban Nonpoint and Stormwater Control and Municipal Flood Control (MFC)	5,000,000	5,000,000
4.	Contaminated Sediment	5,000,000	5,000,000
	TOTAL	\$21,000,000	\$21,000,000

**2015-17 Biennial Budget
Statutory Language Requests**

Forestry Language

1. Forestry Grant Appropriations
2. Timber Sale Reporting Requirements
3. Timber Direct Sale Limit Increase
4. Timber Sale Advertising Requirements
5. MFL Program Modifications

Water Language

6. Stormwater General Permit
7. Expand Eligibility for Well Compensation Grants
8. River Grant Appropriation Structure
9. Kettle Moraine Springs-Stewardship Bonding

Technical Clarifications

10. Bureau of Natural Heritage Conservation
11. Renaming Chapter 20 Program 3 to reflect inclusion of Business Support Functions
12. Elimination of Obsolete Statutory Appropriations

**2015-17 Department of Natural Resources
Biennial Budget Request
By Division and Bureau**

Divisions/Bureaus	FY 2014-15		Cost to Continue		Other Requests or Internal Transfers			Total 2015-17 Budget As Requested		
	Base \$\$\$	FTE	\$\$\$	FTE	FY 2016 \$\$	FY 2017 \$	FTE	FY 2016 \$	FY 2017 \$	FTE
<u>LANDS</u>										
Lands Operations	1,129,800	8.00	-125,900					1,003,900	1,003,900	7.00
Wildlife Management	21,735,300	162.50	-233,600					21,501,700	21,501,700	162.50
Southern Forests	5,872,100	45.25	-2,500		217,300	217,300		6,086,900	6,086,900	44.45
Parks And Recreation	18,792,700	149.70	389,400		483,000	483,000		19,665,100	19,665,100	151.50
Endangered Resources	4,988,100	33.50	58,500		-25,000	-25,000		5,021,600	5,021,600	33.50
Facilities And Lands	<u>10,587,500</u>	<u>89.30</u>	<u>214,300</u>		<u>205,800</u>	<u>205,800</u>	<u>2.00</u>	<u>11,007,600</u>	<u>11,007,600</u>	<u>91.30</u>
total	63,105,500	488.25	300,200		881,100	881,100	2.00	64,286,800	64,286,800	490.25
<u>FORESTRY</u>										
	54,837,000	461.58	-72,200		310,700	310,700		55,075,500	55,075,500	461.58
<u>AIR & WASTE</u>										
Air Management	16,093,400	136.50	-317,200					15,776,200	15,776,200	136.50
Waste & Materials Management	7,687,500	77.25	150,400					7,837,900	7,837,900	77.25
Remediation & Redevelopment	13,316,000	109.95	137,200					13,453,200	13,453,200	109.95
Air And Waste Operations	<u>1,162,700</u>	<u>7.00</u>	<u>50,400</u>					<u>1,213,100</u>	<u>1,213,100</u>	<u>7.00</u>
total	38,259,600	330.70	20,800					38,280,400	38,280,400	330.7
<u>ENFORCEMENT & SCIENCE</u>										
Law Enforcement	30,879,400	224.58	-164,900		661,200	661,200		31,375,700	31,375,700	224.58
Office Of Business Support & Sustainability					3,882,100	3,882,100	39.00	3,882,100	3,882,100	39.00
Science Services	8,970,300	57.40	461,200	(1.00)	<u>-26,100</u>	<u>-26,100</u>		9,405,400	9,405,400	56.90
Enf/Science Operations	<u>919,700</u>	<u>6.50</u>	<u>-87,300</u>					<u>832,400</u>	<u>832,400</u>	<u>6.50</u>
total	40,769,400	288.48	209,000	(1.00)	4,517,200	4,517,200	39.00	45,495,600	45,495,600	326.98
<u>WATER</u>										
Watershed Management	15,648,100	137.54	273,900					15,922,000	15,922,000	137.31
Fisheries Management	28,050,900	223.58	-21,000		100,000	100,000		28,129,900	28,129,900	223.58
Drinking Water/Groundwater Mngt	13,798,200	119.79	-150,900					13,647,300	13,647,300	119.79
Water Quality Management	20,485,800	167.02	21,000					20,568,200	20,506,800	168.15

Divisions/Bureaus	FY 2014-15		Cost to Continue		Other Requests or Internal Transfers			Total 2015-17 Budget As Requested		
	Base \$\$\$	FTE	\$\$\$	FTE	FY 2016 \$\$	FY 2017 \$\$	FTE	FY 2016 \$\$	FY 2017 \$\$	FTE
Water Operations	<u>1,276,000</u>	<u>11.00</u>	<u>-12,000</u>					<u>1,264,000</u>	<u>1,264,000</u>	<u>10.00</u>
total	79,259,000	658.93	111,000		100,000	100,000		79,531,400	79,470,000	658.83
<u>RESOURCE AIDS</u>										
Fish And Wildlife Aids	1,935,400				-1,000,000	-1,000,000		935,400	935,400	
Forestry Aids	10,178,400		-300,000					9,878,400	9,878,400	
Recreational Vehicle Aids	14,891,700							14,891,700	14,891,700	
Aids In Lieu Of Taxes	14,870,000							14,870,000	14,870,000	
Enforcement Aids	2,277,000							2,277,000	2,277,000	
Wildlife Damage Assistance	<u>3,523,700</u>							<u>3,523,700</u>	<u>3,523,700</u>	
total	47,676,200		-300,000		-1,000,000	-1,000,000		46,376,200	46,376,200	
<u>ENVIRONMENTAL AIDS</u>										
Water Quality Aids	9,153,600							9,153,600	9,153,600	
Solid And Hazardous Waste Aids	21,000,000							21,000,000	21,000,000	
Environmental Aids	5,689,600							5,689,600	5,689,600	
Environmental Planning Aids	<u>346,400</u>							<u>346,400</u>	<u>346,400</u>	
total	36,189,600							36,189,600	36,189,600	
<u>DEBT SERVICE/DEVELOPMENT</u>										
Resource Debt Service	90,412,100							90,412,100	90,412,100	
Environmental Debt Service	3,385,300							3,385,300	3,385,300	
Water Quality Debt Service	37,751,200							37,751,200	37,751,200	
Administrative Facilities Debt Service	6,823,400							6,823,400	6,823,400	
Resource Acquisition & Development	<u>14,779,200</u>							<u>14,779,200</u>	<u>14,779,200</u>	
total	153,151,200							153,151,200	153,151,200	
<u>ADMINISTRATION</u>										
Administration	1,717,900	13.50	80,900					1,798,800	1,798,800	14.50
Legal	2,261,400	18.50	91,500					<u>2,352,900</u>	<u>2,352,900</u>	<u>18.60</u>

Divisions/Bureaus	FY 2014-15		Cost to Continue		Other Requests or Internal Transfers			Total 2015-17 Budget As Requested		
	Base \$\$\$	FTE	\$\$\$	FTE	FY 2016 \$\$	FY 2017 \$\$	FTE	FY 2016 \$\$	FY 2017 \$\$	FTE
Office Of Business Support & Sustainability	<u>3,761,800</u>	<u>39.00</u>	<u>120,300</u>		<u>-3,882,100</u>	<u>-3,882,100</u>	<u>(39.00)</u>			
total	7,741,100	71.00	292,700		-3,882,100	-3,882,100	(39.00)	4,151,700	4,151,700	33.1
<u>CAES</u>										
Finance	7,233,700	61.25	61,300					7,295,000	7,295,000	60.17
Management & Budget	860,100	7.00	-70,700		-61,900	-61,900	(1.00)	727,500	727,500	4.97
Information Technology	10,706,800	59.50	660,300					11,367,100	11,367,100	60.50
Human Resources	4,364,600	48.05	-1,000		-17,700	-17,700	(0.35)	4,345,900	4,345,900	47.81
Administrative Facilities Rent	7,383,600		405,500					7,616,800	7,789,100	
Customer Services & Licensing	11,750,500	77.60	-15,500		87,900	87,900	1.50	11,822,900	11,822,900	80.10
Education & Information	2,288,000	17.80	58,300					2,346,300	2,346,300	16.80
Community Financial Assistance	6,428,700	59.15	153,400		<u>-205,100</u>	<u>-205,100</u>	<u>(2.15)</u>	6,377,000	6,377,000	57.00
Caes Operations	<u>2,850,000</u>	<u>12.75</u>	<u>-6,100</u>					<u>2,843,900</u>	<u>2,843,900</u>	<u>12.75</u>
total	53,866,000	343.10	1,245,500		-196,800	-196,800	(2.00)	54,742,400	54,914,700	340.1
Department Totals	574,854,600	2,642.04	1,807,000	(1.00)	730,100	730,100		577,280,800	577,391,700	2,641.04

DEPARTMENT OF NATURAL RESOURCES
Department Mission & Description

The mission of the Department is:

*To protect and enhance our natural resources-
our air, land and water;
our wildlife, fish and forests;
and the ecosystems that sustain all life.*

*To provide a healthy, sustainable environment
and a full range of outdoor opportunities.*

*To insure the right of all people
to use and enjoy these resources
in their work and leisure.*

*To work with people
to understand each other's views
and to carry out the public will.*

*And in this partnership
to consider the future
and generations to follow.*

Recognizing that the valuable natural resources of our state could only be protected and wisely managed through a coordinated effort, the Wisconsin Legislature, in 1967, created the Department of Natural Resources. In creating the Department, the Legislature brought together closely related traditional conservation functions and combined them with newly emerging environmental protection programs.

The Department coordinates the preservation, protection and regulation of the natural environment for the benefit of the people of this state and its visitors. Included in its objectives are water and air quality maintenance, water supply regulations, solid and hazardous waste management, fish and wildlife management, forest management and protection, providing parks and recreation opportunities, lake management, wetland, shoreland and floodplain protection, and law enforcement.

The Department also coordinates federal, state and local aid programs of the U.S. Fish and Wildlife Service, the U.S. Forest Service, the Environmental Protection Agency and other federal agencies and administers federal funds available for outdoor recreation, thereby taking a lead role in planning state outdoor recreation facilities. It administers state aid programs for local outdoor recreation and pollution abatement.

The Department is a cabinet agency, with the Secretary and a citizen Board appointed by the Governor and confirmed by the Senate. The Secretary is the Department's chief executive officer, and the seven-member citizen Natural Resources Board directs and supervises the Department. The Department is organized with a headquarters office in Madison, five regional offices and about 200 other field stations and offices. The central office staff assists the Secretary in directing the regions, which carry out the field operations of the Department. Over 70% of the Department's personnel operate from field stations outside of Madison.

The Department is organized into programs and subprograms to facilitate the accomplishment of its mission. Six divisions -- Land, Forestry, Air and Waste, Enforcement and Science, Water, and Customer and Employee Assistance -- have primary responsibility for the Department's programs. The subprogram breakout and organization follow.

**DEPARTMENT OF NATURAL RESOURCES
PROGRAMS & SUBPROGRAMS**

Program 1--Land and Forestry

- Subprogram 08--Land Program Management
- Subprogram 11--Wildlife Management
- Subprogram 12--Forestry
- Subprogram 13--Southern Forests
- Subprogram 14--Parks & Recreation
- Subprogram 15--Natural Heritage Conservation
- Subprogram 18--Facilities and Lands

Program 2--Air and Waste

- Subprogram 22--Air Management
- Subprogram 26--Waste and Materials Management
- Subprogram 27--Remediation & Redevelopment
- Subprogram 28--Air and Waste Program Management

Program 3--Enforcement and Science

- Subprogram 30--Law Enforcement
- Subprogram 34--Science Services
- Subprogram 38--Enforcement & Science Program Management

Program 4--Water

- Subprogram 40--Watershed Management
- Subprogram 41--Fisheries Management
- Subprogram 42--Drinking Water & Groundwater
- Subprogram 43--Water Quality
- Subprogram 48--Water Program Management

Program 5--Conservation Aids

- Subprogram 51--Fish and Wildlife Aids
- Subprogram 52--Forestry Aids
- Subprogram 53--Recreational Aids
- Subprogram 54--Aids in Lieu of Taxes
- Subprogram 55--Enforcement Aids
- Subprogram 56--Wildlife Damage Aids

Program 6--Environmental Aids

- Subprogram 60--Water Quality Aids
- Subprogram 61--Solid and Hazardous Waste Aids
- Subprogram 62--Environmental Aids
- Subprogram 63--Environmental Planning Aids

Program 7--Debt Service and Development

- Debt Service:
 - Subprogram 70--Resource Debt Service
 - Subprogram 71--Environmental Debt Service
 - Subprogram 72--Water Quality Debt Service
 - Subprogram 73--Administrative Facility Debt Service

Development:

- Subprogram 74--Wildlife Mgmt.-Development
 - Wildlife Mgmt.-Acquisition
 - Forestry-Development
 - Forestry-Acquisition
 - Southern Forests-Development
 - Southern Forests-Acquisition
 - Parks & Recreation-Development
 - Parks & Recreation-Acquisition
 - Endangered Resources-Development
 - Endangered Resources-Acquisition
 - Facilities & Lands-Development
 - Facilities & Lands-Acquisition
 - Fisheries Mgmt. & Habitat Protection-Development
 - Fisheries Mgmt. & Habitat Protection-Acquisition
 - Mississippi and Lower St Croix Development
 - Law Enforcement Development

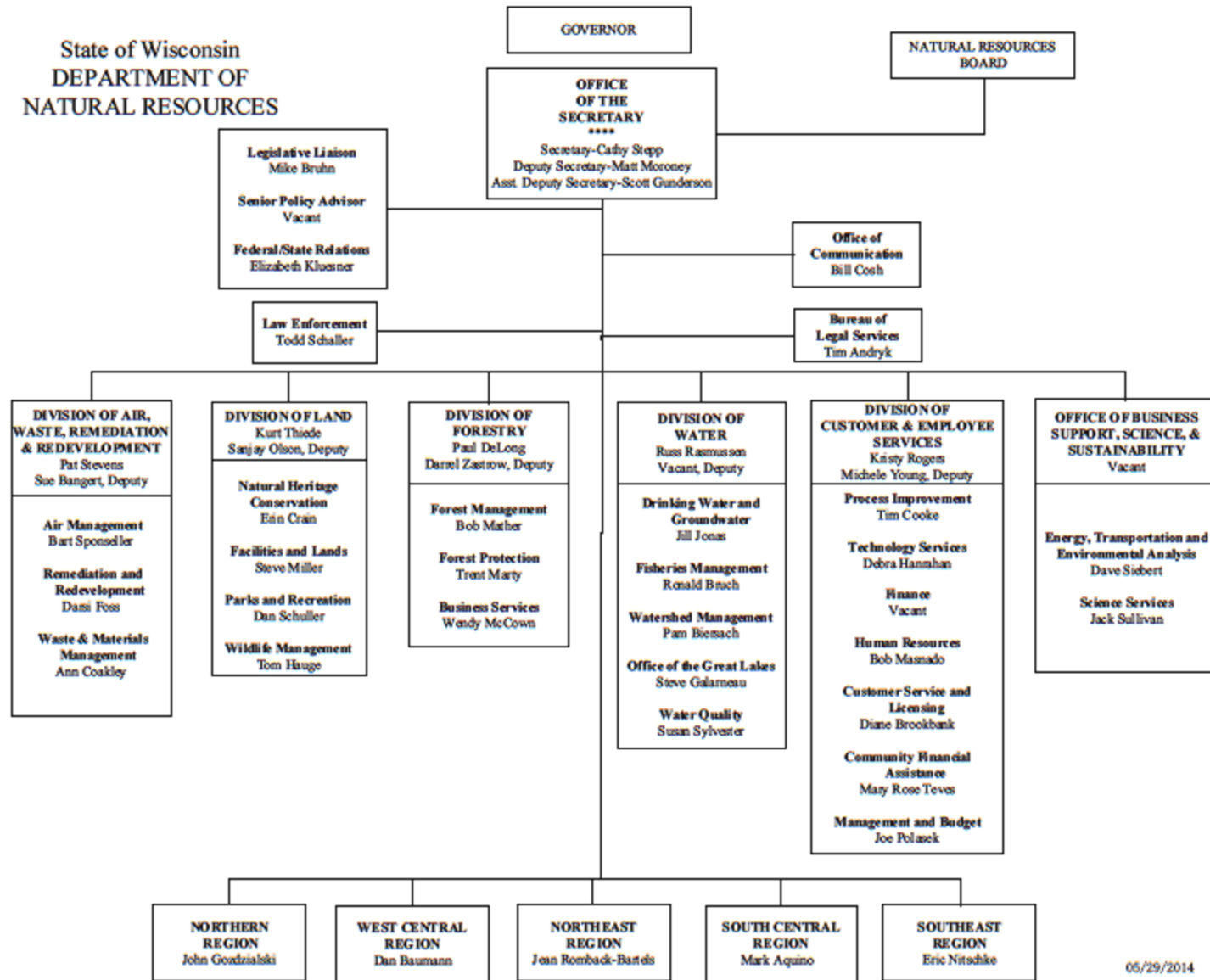
Program 8—Customer and Employee Services

- Subprogram 80--Administration
- Subprogram 82--Legal Services
- Subprogram 83--Finance
- Subprogram 84--Management & Budget
- Subprogram 86--Technology Services
- Subprogram 87--Human Resources
- Subprogram 89--Facility Rental Costs

Program 9--Customer and Employee Services (CAES)

- Subprogram 90--Customer & Outreach Services
- Subprogram 93--Communication & Education
- Subprogram 94--Community Financial Assistance
- Subprogram 95—Office of Business Support & Sustainability
- Subprogram 98--CAES Program Management

State of Wisconsin
DEPARTMENT OF
NATURAL RESOURCES



**Department of Natural Resources
2015-17 Biennial Budget Request
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PROGRAM: DEPARTMENTWIDE

DECISION ITEM 3001-3010: COST TO CONTINUE AND OTHER ADJUSTMENTS

Decision Item #	Title	FY 2016		FY 2017	
		\$	FTE	\$	FTE
3001	Turnover Reduction	(3,177,700)		(3,177,700)	
3002	Remove Non-Continuing Elements	(1,133,500)	(1.00)	(1,194,900)	(1.00)
3003	Full Funding Salary and Fringe	2,580,300		2,580,300	
3007	Overtime	3,193,800		3,193,800	
3010	Full Funding of Lease and Directed Moves	233,200		405,500	
TOTAL		\$1,696,100	(1.00)	\$1,807,000	(1.00)

3001 – Turnover Reduction

A reduction of 3 percent must be taken on adjusted base permanent salaries for all alpha appropriations funding more than 50.0 FTE permanent (classified and unclassified) positions.

3002 – Removal of Non-continuing Elements from the Base

Dollars or positions previously approved on a one-time basis which are in an agency's adjusted base, and which are to terminate, must be removed with this decision item in the appropriate year.

3003 – Full Funding of Continuing Position Salaries and Fringe Benefits

The purpose of this decision item is to provide the funding adjustment needed to bring the salary levels for base level (decision item 2000) permanent and project positions to salary levels as of July of the even-numbered year (only). The calculation is made by comparing the base salary level to that of the actual salary level. The adjustment may be up or down.

3007 – Overtime

Funds for overtime and premium pay on holidays which are budgeted in the adjusted base will be automatically removed in the full funding of salaries calculation. These same dollar amounts only may be restored with this decision item.

3010 – Full Funding of Lease and Directed Moves

Actual rent increases approved in the first year of the current biennium, for which additional funds are needed to fully cover these increases on an annualized (12 month) basis, should be requested in this decision item.

PROGRAM: DEPARTMENTWIDE

SUBPROGRAM: DEPARTMENTWIDE

DECISION ITEM: 5026—Program Revenue Reestimates

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Program Revenue	(\$26,100)	0.0	(\$26,100)	0.0

The Department proposes an annual spending authority reduction of \$26,100 in appropriation 20.370 (3)(dh) Environmental impact—power projects for the purposes of realigning spending authority with actual revenues.

DIVISION: Land

BUREAU: Parks and Recreation

TITLE OF PROPOSAL: 5140–LTE Funding Increase

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	72,500	0.0	72,500	0.0
Parks SEG	250,000	0.0	250,000	0.0
TOTAL	\$322,500	0.0	\$322,500	0.0

The Department requests \$322,500 SEG annually to provide an additional 23,800 LTE hours at the properties listed below:

PARKS SUMMARY		
PROPERTY	LTE SALARY + FRINGE	ADD'L HOURS
Amnicon Falls State Park	\$2,200	166
Big Bay State Park	\$3,000	223
Big Foot Beach State Park	\$4,300	317
Blue Mound State Park	\$5,600	417
Brunet Island State Park	\$1,700	127
Buckhorn State Park	\$2,300	172
Copper Falls State Park	\$2,200	159
Devil's Lake State Park	\$7,300	539
Glacial Drumlin -West State Trail	\$8,000	591
Gov. Dodge State Park	\$12,900	953
Gov. Nelson State Park	\$8,600	637
Gov. Thompson State Park	\$7,400	550
Harrington Beach State Park	\$19,900	1,468
Hartman Creek State Park	\$1,200	86
High Cliff State Park	\$8,700	643
Kinnickinnic State Park	\$4,400	327
Kohler Andrae State Park	\$4,300	314
Lake Kegonsa State Park	\$8,100	597
Lake Wissota State Park	\$1,600	120
Merrick State Park	\$5,400	397
Mirror Lake State Park	\$8,400	624
Nelson Dewey State Park	\$900	65
Newport State Park	\$5,100	378
Pattison State Park	\$3,500	258
Peninsula State Park	\$36,800	2,717

PARKS SUMMARY		
PROPERTY	LTE SALARY + FRINGE	ADD'L HOURS
Perrot State Park	\$11,500	849
Potawatomi State Park	\$3,400	250
Roche-A-Cri State Park	\$2,900	212
Rock Island State Park	\$3,400	250
Whitefish Dunes State Park	\$3,200	237
Wildcat Mt. State Park	\$3,700	273
Willow River State Park	\$18,100	1,336
Wyalusing State Park	\$18,000	1,329
Yellowstone Lake State Park	\$12,000	883
PARKS TOTAL ALLOTTED:	\$250,000	18,464

SOUTHERN FOREST SUMMARY		
PROPERTY	LTE SALARY + FRINGE	ADD'L HOURS
Richard Bong Recreation Area	\$17,700	1,308
Havenwoods State Forest	\$18,900	1,392
Point Beach State Forest	\$3,000	222
Kettle Moraine S.F. -Northern Unit	\$13,700	1,014
Kettle Moraine S.F.- Southern Unit	\$19,200	1,418
SOUTHERN FOREST TOTAL ALLOTTED:	\$72,500	5,354

The Wisconsin State Park System (WSPS) is constantly evaluating its staffing resources to best meet the needs of visitors and to maximize available resources. Over the last several budgets, the WSPS has evolved its staffing complement, becoming increasingly dependent on seasonal employees to safeguard the health and well-being of visitors, provide visitor services, interpretive services, perform facility maintenance and to manage the natural resources system-wide. This has become increasingly necessary due to higher than average vacancy rates and position reductions. In 2008, the WSPS had a total of 216.25 FTE positions, whereas it will end the 2013-2015 biennium with 194.95 FTE positions. This equals a nearly 10% reduction to the WSPS's total FTE complement and results in over 46,000 lost hours across some of the busiest work units in the system.

The 2013-2015 budget restored a total of 11,000 LTE hours; however, the WSPS's ability to serve its customers is still permanently reduced by over 35,000 hours. The ability to bring on additional LTE's and be able to fund additional hours of work for existing LTE's would alleviate the ongoing workload issues in the most critically understaffed work units.

Over the last several budgets, as LTE wages have increased and new properties, facilities and functions have been added, the overall LTE allotments have actually decreased in real dollars as budget cuts, inflation and overall property expenses have reduced the available LTE allotments system-wide. Due to the seasonal nature of the tourism business, the WSPS relies heavily on hiring a sizeable workforce to accomplish critical tasks during a defined season. The need for seasonal employment has dramatically risen as new facilities, uses and increased camping volume has strained the available resources system-wide.

DIVISION: Land

BUREAU: Parks and Recreation

TITLE OF PROPOSAL: 5141-Utilities Funding Increase

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	82,900	0.0	82,900	0.0
Parks SEG	97,500	0.0	97,500	0.0
TOTAL	\$180,400	0.0	\$180,400	0.0

The Department requests \$180,400 SEG annually to offset fuel and utility operational cost increases.

Since FY 2000, WSPS has added six new state park and southern state forest properties: Cross Plains State Park (SP), Glacial Heritage Area-Conservation Parks, Menominee River State Recreational Area (SRA), Rainbow Springs, Sauk Prairie SRA and Straight Lake SP. The WSPS also added the Hank Aaron State Trail, a total of 76 State Ice Age Trail Areas and new facilities at multiple properties in the interim. Additionally, Parks and Southern Forests have added 470 electrified campsites, which have increased utility costs.

As detailed in the table below, utility and fuel expenditures have increased \$304,000 from FY 2007 to FY 2014, which exceeds the funding increases that have been provided in two previous budget initiatives by \$180,400. Consequently, shortfalls in utility funding have forced WSPS to reallocate funding from buildings and ground maintenance. These are fixed costs that cannot be eliminated or reduced for extended periods of time as they will jeopardize the safety of property visitors and staff and will also reduce the expected life of property improvements, thus mitigating the investment in new facilities.

WSPS	\$
Utility and fuel expenditures FY 14	\$802,300
Utility and fuel expenditures FY 07	\$498,300
Difference	\$304,000
Less funding provided in 2007-09 budget	\$56,200
Less funding provided in 2009-11 budget	\$67,400
Net Difference	\$180,400

DIVISION: Land

BUREAU: Parks and Recreation

TITLE OF PROPOSAL: 5142 – New Property Operations

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	50,000	0.0	50,000	0.0
Parks SEG	100,000	0.0	100,000	0.0
TOTAL	\$150,000	0.0	\$150,000	0.0

The Department requests \$150,000 SEG annually for anticipated operations expenses associated with additional facilities at multiple state parks, trails and southern forests. Funds will be used to offset additional LTE, contractual, supplies and services, utility and fleet expenses associated with the opening of new properties and major facilities, including: the Sauk Prairie Recreation Area (Badger Army Ammunitions), Menominee River State Recreation Area (partnership with the Michigan Department of Natural Resources), the Lake Michigan Water Trail and the Sybaquay addition to the Chippewa Moraine State Recreation Area.

Major new facilities include:

- Blue Mound State Park: New public entrance visitor station (PEVS), new gathering center
- KMSF-Lapham Peak Unit: lighted ski track and snowmaking operation
- KMSF-Southern Unit: new bathroom and water source at Hwy S trail head, four new campsites at the Hickory Woods Group Campground, new bathroom and reconstructed boat launch at Whitewater Lake.
- Point Beach SF: New PEVS.
- Richard Bong SRA: New toilet/shower building, new toilet building and multiple vault toilets.

Without these additional operational funds, the manner in which these facilities are operated and maintained will be difficult to sustain in future years. To date, properties containing these new facilities have absorbed the additional operational costs. Given the current funding levels for the system as a whole, opening new facilities, or continuing to operate the facilities on the ground is in excess of the operational capabilities of the Wisconsin State Parks System (WSPS) without the requested funding increases.

With increased funding for new properties and facilities, the Parks program will be able to generate the additional funding needed to operate new facilities and campgrounds, resulting in improved visitor services, timely maintenance of facilities, increased visitor and resource protection and enhanced revenue collections.

DIVISION: Land

BUREAU: Parks and Recreation

TITLE OF PROPOSAL: 5143-Parks Equipment—Master Lease

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	11,900	0.0	11,900	0.0
Parks SEG	35,500	0.0	35,500	0.0
TOTAL	\$47,400	0.0	\$47,400	0.0

The Department requests one-time funding of \$47,400 SEG per year in FY 2016 and 2017 for years one and two of a 4-year master lease to finance the purchase of 37 Mobile Data Computers (MDCs), IP Mobile-Net radios, and associated equipment for Parks system staff. The total cost of the purchase is projected to be \$166,500, or \$4,500 per unit. This request will enable the Parks Program to upgrade law enforcement equipment necessary to communicate, perform visitor services and provide public safety.

The WSPS has 34 Mobile Data Computers units with associated operating equipment and 17 additional units for support and TIME (DOT criminal history, driving records, and vehicle information) system use. Each unit is over five years old and has exceeded its warranty and useful life. Consequently, units are experiencing hardware problems at an increasing rate.

Visitor and resource protection in Parks is a high priority. These tools are basic law enforcement tool to more safely manage compliance with laws and gather the data needed when faced with situations. The Wisconsin State Parks System (WSPS) anticipates purchasing tablets through this initiative, with the capability to remotely perform visitor service activities such as check-in campers.

DIVISION: Lands

BUREAU: Facilities and Lands

TITLE OF PROPOSAL: 5180 – Facilities & Lands Equipment—Master Lease

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Conservation SEG	\$9,000	0.0	\$9,000	0.0

The Department requests one-time funding of \$9,000 for FY 2016 and FY 2017 for years one and two of a four year master lease for the purchase of 7 Mobile Data Computers (MDCs), IP Mobile-Net radios, and associated equipment for Facilities and Land’s law enforcement staff. The total cost of the purchase is projected to be \$31,500, or \$4,500 per unit.

Facilities and Lands has 7 MDC units with associated operating equipment. Each unit is approximately 2.5 years old and at the time this budget would be provided, these units would be at the end of their warranty period and useful life. In order to maintain the necessary level of Law Enforcement effectiveness, we would need to be able to replace the existing units at that time. To not do so would leave out 7 credentials staff vulnerable to dealing with unsupported machines that would experience increasing rates of failure.

The use of computers is one way wardens are able to be more efficient. To help address the current law enforcement vacancy situation, since 2000 Wisconsin has equipped each warden with a ruggedized laptop computer. In addition, each warden received an office desktop printer, a mounting platform for the vehicle and a data radio compatible with the statewide system used by the Wisconsin State Patrol. Wisconsin also developed or made available to the warden service various software applications that aid the warden in his/her duties. They include: a personal accountability system (DEARS) that generates the numerous reports (i.e. timesheets, vehicle and expenses, activity, work planning) required by state service; DNR forms as templates; digitized Wisconsin statutes and codes; access to DNR websites when connected to the state’s Intranet: and access to State Patrol’s mobile data network.

Facilities and Lands will be synchronizing the purchase of new computers with the DNR Bureau of Law Enforcement and DOT State Patrol and other DNR programs in order to maximize purchasing power and to gain efficiencies with similar equipment and the state contract.

These computers have become a critical life-line for the law enforcement community. They provide access to files that are critical from an investigative and public safety standpoint.

DIVISION: FORESTRY

TITLE OF PROPOSAL: 5123—Maintaining Base Forestry Operations

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	\$200,500	0.0	\$200,500	0.0

The Department requests annual funding of \$200,500 to fund base operations costs associated with operating a facility or maintaining infrastructure. In the case of the Division of Forestry, these base costs include utilities (water, heat, electric), rent, and LTE funding. Additional base operations funding are being sought to support the continued work of the Division.

The request is comprised of the following 5 components:

- 1. \$15,000 in operations funding for increased rent payments.** DOA negotiates rental payments for non-state facilities that house forestry staff, which increases 1-3% per year. The last increase to rental funding was made in FY 07 when annual payments were \$52,000 annually. FY 14 payments are calculated to be \$65,000, \$67,000 in FY 15 and \$69,000 in FY 16.

The Division leases privately owned office space in 11 lease agreements. These leases are DOA negotiated and usually for a five year period. FY 14 payments are projected to be \$65,000. The last operational increase for rent payments was in the FY 07 when annual payments were \$52,000. This request of \$15,000 each year would fund the rental account to anticipated rent levels through the 15-17 budget periods.

- 2. \$88,000 to support operational cost increases related to energy rate increases for current and new facilities.** Annual utility rate increases across all providers to the state has averaged 2.5%.

Ensuring the Department physical properties are maintained and in good working order is critical to providing long-term services. The Division has six categories of physical plant. These consist of Ranger stations, cold and warm storage buildings, airplane hangars, the Forest Health Lab and state forest buildings. It is expected in this upcoming biennium that three ranger stations, five new warm storage buildings, a new forest headquarters on the Flambeau River State Forest and 4-5 smaller support buildings on the other state forests (storage buildings, toilet-shower buildings and a new PEV on the Black River SF) will come online. Although these buildings are built and engineered to be efficient, they are replacing smaller buildings or adding a function that did not previously exist. It is estimated based on past operating costs of like constructed warm storage buildings that the utility cost to operate these is \$500.00 per month. Adding five of these to the program will add approximately \$30,000 in increased annual operating costs for the utilities. The Flambeau Headquarters is estimated to increase operating costs \$10,000 per year when completed in late FY 15. Alternative heating and cooling sources were explored for the Flambeau during design, but the build site was not conducive or cost effective for alternative sources such as geo-thermal. Below are the expected operational increases by physical plant for all buildings:

Facility	Heat/Utilities
Ranger Stations	\$20,500
Warm Storage	\$24,000
Cold Storage	\$7,500
Hangers	\$5,000
Forest Health Lab	\$6,000
State Forest	\$25,000
TOTAL	\$88,000

3. **\$52,500 to support annual operating costs for seven mechanic shops.** These are new duties and operations that did not exist on this scale prior to strategic direction. These costs support, phone, janitorial & uniform service, tool replacement, shop supplies, and other miscellaneous expenses.

The 2012 Division's Strategic Direction created seven specialized forestry mechanic positions in Brule, Grantsburg, Spring Green, Wausaukee; Wautoma, Wisconsin Rapids and Woodruff. These positions and locations were chosen to provide basic mechanical repair on the highly specialized firefighting equipment the Division builds and operates. Mechanical repairs for the actual vehicles are still administered through cooperation with the ARI fleet management vendor. It is estimated that each shop requires approximately \$7,500 per year to operate for a total of \$52,500 per year. This operational funding covers base shop supplies, uniforms, tool replacement and parts requisition to do minor repairs. Prior to the creation of these positions much of the specialized equipment was going un-serviced and would only be inspected or repaired when a breakdown would occur. This proved costly as breakdowns often resulted in total replacement. The most frequently replaced item prior to the mechanics coming on board and providing maintenance duties were fire pumps. The average price of a replacement pump is between \$1500 and \$3000 depending on size. Routine service has greatly reduced this need, but has increased operational costs. It is critical that all firefighting equipment be serviceable and operational at a moment's notice to suppress forest fires.

4. **\$30,000 to support annual communication equipment upgrades in forest fire suppression equipment.** This funding will provide suppression equipment to be updated with mobile repeaters and cell phone boosters as engines are built or are refurbished, maintaining operability in remote areas.

The Division operates emergency vehicles in all 72 Wisconsin counties. The communications infrastructure is unique in each county and the Division is constantly adapting its equipment and programming to be able to communicate with emergency services personnel from other agencies in those counties. In the past, examples of this are purchasing unique radios, vehicle cellular boosters and mobile repeaters. This update or adaptation has been done mostly when a vehicle is up for replacement. This has created a situation of prioritizing replacements where the greatest communication gap exists, while still having situations where there is poor communications. The result of this is a communications infrastructure in constant upgrade as technology changes. This has been handled in the past by taking vehicles out of service and not replacing until the position is filled. This was a manageable item when the Division had a 20% vacancy rate, but at a rate of 5-6% it is no longer an option to delay the inevitable and have vehicles out of service or unable to communicate to necessary responders. Funding of \$30,000 per year will allow for the purchase of the necessary upgrades and programming to occur in emergency vehicles without jeopardizing officer safety, public safety or response availability.

5. **\$15,000 to support cover credit card point of sale merchant fees.** Forestry pays merchant fees for Reserve America System, and point of sale transactions where a credit card is used (state forests and nurseries). Credit card processing fees (current average of 3-4% of the transaction) are expected to continue to grow.

Credit card merchant fees are those fees that the host merchant charges the Division for customers to pay for service via credit or debit card. Currently those fees average 3-4% per transaction. As the public has transitioned from paper check to credit based payments, those associated fees have increased. The State Forest program primarily through camping administered by Reserve America and the Nursery program through seedling sales are the two largest programs accepting credit payment in the Division. Prior to 2010, the Division had no credit card processing fees. In FY 13 the total was \$10,000 and expected to continuously increase. The Division is asking for \$15,000 in annual operations support to cover the point of sale merchant fees.

DIVISION: FORESTRY

TITLE OF PROPOSAL: 5125—Forestry Field Data Recorders-Master Lease

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	\$76,900	0.0	\$76,900	0.0

The Department requests one-time funding of \$76,900 in both FY 2016 and FY 2017 to support a 4-year master lease for the purchase of field data recorders that Forestry staff would use to gather data electronically and input into existing databases. This will fund the purchase of about 180 units with associated compatible software at an estimated price of \$1,500 per unit, for a total estimated purchase price of \$270,000.

There is no single mechanism to currently collect forestry field data ranging from forest reconnaissance data, fire occurrence and assessments, and monitoring efforts (e.g. best management practice, invasive, reforestation, etc.). Forestry staff are using methods that range from paper and pencil, to cell phone, GPS unit, and all the way to a higher end field data recording unit (ruggedized handheld computer) to collect field data. This poses several challenges including user training (a single forester may use multiple devices for different needs), user and application support, and storage of the data being collected by staff. Many times the information collected in the field needs to be re-entered into a computer back in the office, creating inefficiencies, redundant work, and errors.

There are multiple components to a field data collection system including;

- 1.) Hardware or “units” an individual takes to the field,
- 2.) Software the individual uses to collect the data in the field,
- 3.) System back in the office where data is stored, analyzed and findings on data is reported out.

This budget initiative focuses on the hardware units and generic software that would be installed on the units required for the collection of field data

Once the hardware is acquired, and generic software installed, customizations to the software may also be required to make the data collection efforts consistent and efficient for field staff. Depending upon the program, this could range from developing a mobile collection application, purchasing existing commercial software, or evaluating free software to meet the collection needs of the various programs. For example, once the hardware is acquired software is needed to support the collection of plot-level data and tools for summarizing the data at the stand-level for entry in to the Recon system (WisFIRS). Data management tools will need to link to GPS coordinates captured in the field. The system should allow for review of the data from the field before automatically being uploaded into the WisFIRS application.

Having the ability to collect data in the field would reduce the time it takes for field staff to re-enter data into computer systems back in the office. This would make staff more efficient allowing them to re-invest their time on other high priority work for the Division. Specifically, this initiative will potentially provide the following benefits:

- Improve data quality and consistency, and provide more complete data.
- Improve efficiency and minimize site revisits.
- Facilitate data collection more quickly and thus increase the usefulness of the GIS.
- Easier to use interface that requires less training.

DIVISION: Forestry

TITLE OF PROPOSAL: 5126--Forestry Equipment—Master Lease

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Forestry SEG	\$33,300	0.0	\$33,300	0.0

The Department requests one-time funding of \$33,300 per year in FY 2016 and FY 2017 for years one and two of a 4-year master lease for the purchase of 26 ruggedized computers to replace existing devices. These replacements will cost approximately \$4,500 per unit, for a total expenditure of \$117,000.

The Law Enforcement Officers and State Forest Rangers with the Division of Forestry rely on ruggedized computers, in the form of Panasonic Toughbook CF31s, to accomplish their work. These units are now four years old, and must be replaced beginning in FY 2016 alongside the Bureau of Law Enforcement and the Bureau of Parks and Recreation. The intended replacement model is not yet known, but the cost estimate is \$4,500 per unit for the ruggedized models which are more expensive than a standard computer. This funding will allow the various programs within the agency that have law enforcement personnel to stay consistent with their acquisition of the ruggedized computers.

DIVISION: Enforcement & Science

BUREAU: Law Enforcement

TITLE OF PROPOSAL: 5300—Law Enforcement Equipment-Master Lease

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Various SEG	\$288,500	0.0	\$288,500	0.0

The Department requests one-time funding of \$288,500 in both FY 2016 and FY 2017 for years 1 and 2 of a 4-year master lease for the purchase of computer equipment for the Bureau of Law Enforcement.

The Bureau projects the need to purchase 225 new ruggedized tablets and associated docking stations and peripherals to equip all permanent credentialed conservation wardens and deputy warden water guards. The computers allow wardens to be very efficient when doing their jobs, allowing access to public safety and law enforcement information at all times. This funding request is based on an estimate of \$4,500 per unit, for a total purchase price of \$1,012,500.

Bureau staff is currently using Panasonic CF-31 laptop computers which are nearing the end of their life cycle. From past experience, as the current laptops reach the end of their warranty, they will begin to fail at a rapid rate. Therefore, the Department has plans to replace the current computers.

There are other factors to consider regarding this request:

- Switching from laptop computers to tablets will reduce cost, and at the same time improve efficiencies.
- Warranties for the current CF models will expire at about the time the new tablets are brought into service.

DIVISION: Enforcement & Science

BUREAU: Law Enforcement

TITLE OF PROPOSAL: 5301-Ginseng Funding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Endangered Resources SEG	(25,000)	0.0	(25,000)	0.0
CON SEG	25,000	0.0	25,000	0.0
TOTAL	\$0	0.0	\$0	0.0

To coincide with the shift of the ginseng program from the Bureau of Natural Heritage Conservation (NHC) to the Bureau of Law Enforcement (LE), the Department seeks to shift \$25,000 in spending authority from NHC to LE. The dollar amount that would be shifted is based on an annual average of ginseng dealer and harvester license revenues collected since FY 2002.

Ginseng is a resource with significant commercial value and can easily be overexploited without adequate protection and enforcement. In order to maintain a stable ginseng resource for the future, the Department needs to continue to enforce laws designed to conserve and protect this plant. Additionally, there are federal mandates concerning this resource that Wisconsin needs to comply with. Appropriating the funds into the Bureau of Law Enforcement will ensure that adequate staff continues enforcement efforts to manage this resource and ensure adequate protection for its conservation.

Note: This initiative would also require a statutory modification to convert where ginseng license revenues are deposited from s.20.370 (1)(fs) to the Fish and Wildlife Account of the Conservation Fund.

DIVISION: Enforcement & Science

BUREAU: Law Enforcement

TITLE OF PROPOSAL: 5302—Law Enforcement Overtime Funding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Various SEG	\$347,700	0.0	\$347,700	0.0

The Department requests \$347,700 annually from various state segregated funding sources to fund overtime expenses in the Bureau of Law Enforcement.

Historically, overtime for wardens has provided the equivalent of 36 additional FTE worth of work, without the additional costs of more trucks, equipment, training, and benefit packages. Over the last 10 years, as the average hourly wage and overtime allocations have fluctuated, the FTE equivalent has dropped as low as 27. Currently, projections show that this overtime account will be operating under a shortfall at the end of FY 2015.

The Bureau currently employs 188 staff that is eligible to earn overtime. Conservation wardens serve hundreds of thousands of hunters and anglers, 850,000 boaters, 280,000 snowmobile and 300,000 ATV enthusiasts, and millions of other citizens. The demands by the public on warden service are considerable while the prospect for workload relief through increased staffing is not possible at this time.

DIVISION: Water

BUREAU: Watershed Management

TITLE OF PROPOSAL: 5400—Dam Repair Bonding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Bond Revenue	\$4,000,000	0.0	\$0	0.0

The Department requests \$4 million in additional bonding authority to provide matching grants for the repair, reconstruction, or removal of municipal dams, to provide grants to dam owners for voluntary removal, or for grants to remove an abandoned dam.

This grant funding has been a key component of the Department's efforts to improve the safety of dams in the State over the last 25 years. The Department anticipates the majority of this funding will be committed to municipal projects during a grant application cycle that would occur during winter in 2015-2016. The remainder of the funding would be committed to dam removal projects. While the program has a continuous application process, the majority of the available funding has typically been committed in the first year of the biennium.

Background

The Department is charged with protecting life, health and property from unsafe dams. Beginning with the 1989-91 biennium, the Department has administered a grant program to repair, reconstruct or remove municipally-owned dams. In 2001 a program component was added to allow any dam owner to voluntarily remove their dam or anyone with legal access to remove an abandoned dam. Nearly all of the \$24.1 million previously authorized for the program has been spent or committed.

Chapter 31 of the Wisconsin Statutes provides for several grant programs to help dam owners bring their dams into compliance with dam safety regulations. The largest program, the Municipal Dam Grant Program, provides up to a 50% matching grant to repair or reconstruct, or a 100% matching grant to remove municipally owned dams. The grants are capped at a maximum state contribution of \$400,000. This program is implemented under Administrative Code, NR 335. The Dam Removal Grant Program provides up to \$50,000 to any dam owner to voluntarily remove their dam or anyone who wishes and has legal access to remove an abandoned dam. The program is implemented under Administrative Code, NR 336. These programs have been active since 1991 and 2001 respectively, providing over \$24 million in funding for:

- 142 municipal dam repair, reconstruction or removal projects
- 34 dam removal projects through the Dam Removal Grant Program
- 5 abandoned dam projects through the Dam Removal Grant Program

The bonding that was authorized for the current 2013-2015 biennium is in the process of being awarded to dam owners who applied for a grant in January of 2014. Municipal dam owners submitted applications for 42 projects, and after completing the priority ranking process the Department committed funding to 21 projects. The funding committed included \$3.5 from the biennial budget and approximately \$330,000 in funds returned from projects from previous grant cycles. In addition, funding is pending for 5 dam owners under the Dam Removal Grant program.

Over 40% of State-regulated, large dams that are required to have statutorily mandated, periodic safety inspections are owned by municipalities. Safety inspections were completed for 98 municipally owned

dams during 2013 and an additional 77 inspections of municipally owned dams are scheduled in 2014. Experience has shown that approximately 75% of the dams inspected have safety deficiencies and require repair. Of the dams with safety deficiencies, about 1 in 4 is found to be in poor condition, necessitating major modifications, complete reconstruction, or removal.

Additionally, more and more owners are deciding that they cannot afford to maintain their dam or do not want the liability for their dam and are looking to remove the dam and restore the stream to a natural condition. This is happening more often as the new owner responsible inspection program is implemented. Finally, ownerless dams continue to pose additional problems. When a dam is determined to be ownerless, the Department works with the surrounding community to try and find a party willing to take responsibility for the structure, bring it into regulatory compliance, and operate and maintain it in a safe manner. In many cases, no one is willing to take on that responsibility, so the only alternatives are to leave the dam as is, thus creating a potential hazard, or for the Department to seek to remove the dam. Without funding to remove abandoned dams, the Department is unable to address the potential safety hazards they pose.

Providing funding for these grant programs will help owners with at least a portion of the cost to address safety issues at their dams. It will also provide money to mitigate unsafe, abandoned dams and help owners who want to remove their dams and restore the stream. Without these programs more dams will be left in an unsafe condition and owners will have more difficulty complying with Department directives or orders to address safety deficiencies. This ends up costing the Department significant resources and time to push for compliance.

Over the past 15 years there have been a number of bills introduced in Congress to fund a federally-backed grant program to repair or remove dams. If a federal budget proposal fund dam repair is enacted, Wisconsin dam owners could access the program to help repair the most critical dams. The federal grant program would likely require a local match, so the potential for leveraging both state and federal funds would be a great incentive to dam owners to undertake their dam safety projects in a timely manner. Such a program would be analogous to federal funding provided through the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS), which has been paired with municipal dam grant program funding to fund Vernon County dam projects. Using multiple funding sources is also common in dam removals projects where environmental restoration funding can be paired with more traditional state and federal infrastructure programs.

DIVISION: Water

BUREAU: Watershed Management

TITLE OF PROPOSAL: 5401—Urban Stormwater & Municipal Flood Control Bonding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Bond Revenue	\$5,000,000	0.0	\$0	0.0

The Department requests a \$5 million increase in bonding authority for the Urban Nonpoint Source & Storm Water Management Program and the Municipal Flood Control & Riparian Restoration Program.

Storm water runoff from urbanized areas has substantially increased flooding and the discharge of urban storm water pollutants into the waters of the state. As a result, many of the urban water resources receiving storm water runoff are on the state's impaired waters list, which was first prepared by the Department in 1998, in accordance with Section 303(d) of the Clean Water Act (CWA). The Urban Nonpoint Source and Storm Water Management Program (s. 281.66, Wis. Stats.) and the Municipal Flood Control and Riparian Restoration Program (s. 281.665, Wis. Stats.) comprise the state's principal financial assistance programs to municipalities for urban storm water management. These programs are designed to reduce the economic and social impact on municipalities of meeting storm water management requirements, reduce flooding, and make improvements in water quality and habitat.

Background

The 1999 Wisconsin Act 9 created the Urban Nonpoint Source & Storm Water Management Program and the Municipal Flood Control & Riparian Restoration Program. The bonding authorized under s. 20.866(2)(th), Wis. Stats., can be used for either program.

Urban Nonpoint Source & Storm Water Management grants provide funds for municipalities to construct best management practices (BMPs) to improve storm water discharge quality. BMPs that are typically constructed under the grant program include storm water detention ponds, infiltration devices, and stream bank restoration projects designed to lessen flooding potential and reduce the amount of pollution that is released from eroding banks. There are currently 218 municipalities covered under NR 216 permits (plus an additional 30-35 municipalities that may need to seek permit coverage in 2014), which require implementation of BMPs as needed to meet the urban storm water performance standards under NR 151. These extensive permitting efforts have triggered a significant increase in the amount of BMPs installed, as well as an increased need for state financial support for implementing the BMPs.

The Municipal Flood Control & Riparian Restoration Program provides grants to municipalities for:

- Property acquisition and removal of structures to create a permanent open space or to establish an area for flood water storage.
- Acquisition of vacant land or flood water flowage easement to facilitate efficient flow of flood waters.
- Floodproofing and flood elevation of public and private structures in the 100-year flood plain.
- Riparian restoration activities along a river or stream.

As is detailed in the tables below, demand for these cost-share programs has historically outstripped available resources. Demand for grants from the Urban Nonpoint Source & Storm Water Management Program is expected to continue as more municipalities come into compliance with requirements to control storm water discharges under administrative rule NR 216.

SUMMARY OF DEMAND FOR URBAN STORM WATER MANAGEMENT & CONSTRUCTION GRANTS			
Calendar Year	# of Applications	Total Requested Funding	% of Demand Met
2004	29	\$2,792,000	94%
2005	42	\$4,262,000	58%
2006	33	\$3,489,000	54%
2007	NA	No Funds	NA
2008	41	\$4,834,367	61%
2009	49	\$5,074,113	43%
2010	31	\$8,310,391	20%
2011	28	\$3,336,975	49%
2012	26	\$3,162,341	84%
2013	16	\$1,838,788	100%
2014	33	\$4,385,861	51%

In addition, demand for grants from the Municipal Flood Control Program is expected to increase as municipalities continue to seek financial assistance to mitigate the impacts of future floods. Historical demand for these grants has been so high that the Department has chosen to solicit grant applications once every two years in order to reduce the number of municipalities that prepare extensive grant applications, only to be told later on in the process that funding had already been fully committed.

SUMMARY OF DEMAND AND AVAILABLE FUNDING FOR MUNICIPAL FLOOD CONTROL GRANTS				
Calendar Year*	# of Applications	Total Requested Funding	Total Available Funding	% of Demand Met
2002	73	\$22,433,882	\$3,000,000	13.4%
2004	15	\$4,265,153	\$1,965,222	46.1%
2006	18	\$6,241,376	\$1,703,000	27.3%
2008	22	\$3,912,337	\$2,900,000	74.1%
2010	16	\$5,586,318	\$3,000,000	53.7%
2012	19	\$4,460,405	\$3,000,000	67.3%
2014	13	\$3,099,350	\$2,500,000	81.6%

*Grant cycle for grant program is every other year.

DIVISION: Water

BUREAU: Watershed Management

TITLE OF PROPOSAL: 5402—Targeted Runoff Management (TRM) Bonding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Bond Revenue	\$7,000,000	0.0	\$0	0.0

The Department requests \$7 million in additional bonding authority for Targeted Runoff Management (TRM) and Notice of Discharge (NOD) grants. The TRM & NOD programs help to implement performance standards and prohibitions statewide and provide funds to achieve the water quality goals of “total maximum daily loads” or TMDLs in targeted watersheds, as required in Section 303(d) of the federal Clean Water Act (CWA).

Nonpoint source or runoff pollution continues to be a significant threat to water quality in the state. It occurs when rainfall or snowmelt runoff picks up pollutants and deposits them into rivers, lakes, and coastal waters or introduces them into groundwater. Unlike pollution being discharged from a specific origin, like a pipe, nonpoint source pollution has no single, well-defined origin. As strong demand for TRM and NOD grants continues, additional bonding authority is needed to further the Department’s efforts at controlling nonpoint source pollution.

Background

The TRM Grant Program, established in 1997 Wisconsin Act 27 (the 1997-99 biennial budget act), is covered by ch. NR 153, Wis. Adm. Code. It was intended to supplant the Priority Watershed & Lake Program with smaller-scale projects that could be managed more effectively from both fiscal and environmental aspects. Grants from this program are primarily intended to help farmers achieve compliance with agricultural performance standards and prohibitions.

The TRM Grant Program funds up to 70% of eligible project costs for nonpoint source pollution abatement, up to a total maximum grant of \$150,000 per small-scale project and \$1,000,000 per large-scale (up to subwatershed scale) project. Grants come in the form of financial assistance to local units of government, who in turn work with landowners to implement best management practices (BMPs) for controlling nonpoint source pollution. Examples of BMPs include, but are not limited to the following:

- manure storage facilities
- barnyard runoff control measures
- shoreline/streambank protection projects
- riparian buffers
- grassed waterways
- conservation tillage
- wetland restoration projects

The TRM Grant Program is also a funding mechanism for achieving water quality goals of Total Maximum Daily Loads (TMDL) in targeted watersheds. Under Section 303(d) of CWA, the Department is obligated to submit every two years a list that identifies waters of the state that are “impaired” or are not meeting their designated use. Wisconsin currently has about 770 waterbodies or stream segments on its impaired waters list, and the impairments on 380 of these waterbodies or segments are caused wholly or in part by nonpoint sources of pollution.

The DNR's Notice of Discharge (NOD) Grant Program started in 1984 and offers cost-sharing grants to governmental units working with owners and operators of livestock operations to meet pollution controls required by the DNR. The Notice of Discharge Program is an enforcement process through ch. NR 243, Wis. Adm. Code, addressing unacceptable practices at animal feeding operations with less than 1,000 animal units. Local governmental units (typically county land conservation offices) work with department staff to identify and categorize discharges at animal feeding operations. Depending on the severity of the discharge and impacts to waters of the state, either a Notice of Discharge (NOD) or Notice of Intent (NOI) to issue a Notice of Discharge are issued by the Department to the owner or operator of the animal feeding operation. In certain cases, animal feeding operations may be eligible for funding through the NOD Grant Program to address discharge issues identified in a department issued NOD or NOI.

As is detailed in the following table, the historically strong demand for TRM and NOD grants continues:

SUMMARY OF TRM GRANT ACTIVITY			
Calendar Year	# of TRM Grant Applications	Total Requested Funding	% of Demand Met
2003	33	\$2,639,000	100%
2004	39	\$3,846,000	100%
2005	55	\$5,177,000	37%
2006	39	\$4,821,000	40%
2007	53	\$5,769,000	39%
2008	52	\$4,956,110	100%
2009	56	\$6,063,519	100%
2010	64	\$6,448,868	80%
2011	63	\$6,869,945	67%
2012	46	\$8,365,250	60%
2013	38	\$5,802,029	84%
2014	41	\$5,972,704	60%

SUMMARY OF NOD GRANT ACTIVITY			
Calendar Year	# of NOD Grant Applications	Total Requested Funding	% of Demand Met
2007	5	\$152,121	38%
2008	6	\$794,352	75%
2009	16	\$1,583,623	85%
2010	8	\$653,021	72%
2011	11	\$1,184,185	88%
2012	10	\$1,315,050	68%
2013	15	\$1,547,992	70%

Future demand for TRM and NOD grants is expected to increase as the Department plays a role in implementing more TMDLs. Therefore, as more TMDLs are developed, more funding for implementation to meet the goals of these analyses will be needed. Demand will also be impacted by an increase in statewide implementation of agricultural performance standards and prohibitions.

This request, in conjunction with continued federal Section 319 funds and continued state GPR funding for nonpoint source pollution abatement grants in s. 20.370 (6)(aa), Wis. Stats., will allow the Department to continue funding a mixture of both small-scale and large-scale TRM projects in the 2015-17 biennium. This mix of funds is critical to providing state support for structural practices, cropping practices, and local staff support both in TMDL projects and other projects statewide.

Consequences if the Proposal is Not Approved

- The TRM Grant Program was intended to replace the Priority Watershed/Lake Program with smaller-scale projects that could be managed more effectively from both fiscal and environmental aspects. Demand for TRM grants continues to exceed available funding. Failure to provide continued funding could substantially reduce or eliminate state participation in nonpoint source pollution abatement.
- Without adequate financial support for TMDL implementation, impaired waterbodies statewide will continue to be impaired and not meet water quality standards.
- Eligible state bond revenue expenditures in the TRM and NOD Grant Programs are used to generate the required 40% match for the federal Section 319 Clean Water Act grant from the U.S. Environmental Protection Agency's Nonpoint Source Program. Without these expenditures, the Department will face difficulties in trying to leverage these federal funds.

DIVISION: Water

BUREAU: Fisheries Management

TITLE OF PROPOSAL: 5410—Continuation of Wisconsin Walleye Initiative

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
GPR	(\$900,000)	0.0	(\$900,000)	0.0

The Department proposes the following adjustments to funding for the Wisconsin Walleye Initiative (WWI)

- Discontinue funding of \$1 million/year for grants to tribal and private hatcheries to expand fish production capacity.
- Increase the funding for contract purchases of walleye by \$100,000 annually—from \$500,000 to \$600,000—to better meet the Department’s obligation to purchase fish produced by recipients of the capacity grants.

Capacity Grants

The Department believes that the capacity created by the original \$2 million grant program, along with the expected additional capacity of DNR hatcheries when their infrastructure work is done, will be sufficient to meet statewide walleye stocking demands for the next 5-10 years. Grants have been awarded to 3 tribal and 6 private hatcheries to expand production, with an estimated time frame of 3-5 years for stocked walleyes to reach a size that will attract anglers.

Contract Purchasing

The Department requests that additional contracting funding be added to purchase the increased number of fish that will be available from tribal and private hatcheries who received capacity grants. Those grant recipients are contractually obligated to sell an agreed to number of fish back to the DNR for three years after their project is completed – contingent on funding availability. The 9 grant contracts issued in early 2014 specify that 290,000 large walleye fingerlings will be available for purchase in fall 2015 at a cost of \$543,000 (average cost of \$1.87/fish not including the capacity grant itself), and 368,500 in fall 2016 at a cost of \$753,150 (\$2.04/fish). Therefore, the current base amount of \$500,000 for contract purchasing would need to be increased to ensure that the Department can take full advantage of the increased capacity resulting from the grants.

Background

Walleyes are the state’s most sought after game fish. Nearly 500,000 anglers fish 6.1 million days and harvest 2.2 million walleyes statewide in Wisconsin each year, which generates an estimated \$680 million in economic activity statewide. Walleye are also in demand from Chippewa tribal members exercising federally protected treaty rights to spear and net in off reservation waters within the ceded territory. Chippewa tribal members annually harvest around 30,000 walleyes from approximately 180 waters each year. Although tribal harvest accounts for only ~10% of the overall harvest on all lakes, it often exceeds 25% on waters where both angling and tribal harvest occur.

The best walleye fisheries are universally those that are self-sustaining through natural reproduction. Populations in those waters are 2-3 times higher than those in waters stocked even at the highest levels. Studies have shown that stocking waters with good natural reproduction is not effective and can actually harm the native population if the wrong genetic strains are stocked. Currently an estimated 84% of the

walleyes caught by anglers come from natural reproduction, with the remainder coming from stocking by state, tribal and private hatcheries.

Although protection of self-sustaining walleye populations is the most cost-effective long term management strategy, stocking can create significant and locally important fisheries. Many smaller waters in tourist destinations such as northern Wisconsin's ceded territory, and many waters in the southern part of the state lack adequate walleye reproduction and would not have any walleye fishing without stocking. Other waters that winter kill or are impacted by other short term weather or habitat impacts can be rehabilitated by appropriate stocking to restore natural reproduction. Wisconsin DNR annually stocks 3-4 million small (1-3") fingerlings and 60,000-100,000 larger (4-7") fingerlings. The smaller fish are much cheaper to produce (\$0.20-\$0.50/fish) but have a high mortality rate and only work in certain situations. The larger fish are more costly (\$1.50-\$2.50/fish) to produce and distribute but generally have high survival in most situations.

Unfortunately demand for walleyes exceeds the supply from natural reproduction and current stocking efforts. In the ceded territory, tribal walleye declarations have exceeded 50,000 fish each year since 2008 reaching nearly 60,000 in 2010 and 2013. State angler harvest varies around 300,000 but the 366,000 harvested in 2012 was the second highest seen since 1990. These increasing demands are made on walleye populations that have seen measurable declines in recent years.

DIVISION: Water

BUREAU: Water Quality

TITLE OF PROPOSAL: 5431-Contaminated Sediments Bonding

FUNDING SOURCE	FY 2016		FY 2017	
	\$	FTE	\$	FTE
Bond Revenue	\$5,000,000	0.0	\$0	0.0

The Department requests \$5 million in additional bonding authorization to provide state-sourced funding to clean up contaminated sediments in Lake Michigan and Lake Superior or their tributaries (Ch. 281.87 Wis. State Statutes). This money would be used to match federal agency programs (EPA Great Lakes Legacy Act, Great Lakes Restoration Initiative (GLRI), and US Army Corps of Engineers Continuing Authority Program) to provide as much as \$20 million for remediation of Great Lakes sediment sites in the state.

Also requested is a change in the statutory language of Ch. 281.87 to allow the use of funds bonded through s. 20.866(2)(ti) to be used for contaminated sediment remediation projects outside of the Great Lakes basins. In these instances, bonded money would be used as match against U.S. Army Corps of Engineers Continuing Authority Program grants and local government grants or their comparable cost-share efforts.

This request builds upon \$32 million of existing bonding authorized under the 4 previous biennial budget acts. As detailed in the table below, of the \$32 million authorized, nearly \$23 million has been committed thus far on 5 projects and used to leverage nearly \$115 million in federal and local funding.

Project	Year	Sediment Removed (cu. yds.)	Contaminant Removed (lbs.)	Status	State Expenditures	Federal/Local Match	Responsible Parties Share (Superfund)	Total Cost \$
Kinnickinnic River	2009	170,000	14,200	Remediation complete	7,527,916	14,300,000		21,827,916
Lincoln Park/Milwaukee River Ph. I	2011-12	119,000	9,000	Remediation complete	8,900,000	18,200,000		27,100,000
Sheboygan Harbor	2012	301,000	36,800	Remediation complete	3,319,998	50,700,000	22,500,000	76,519,998
Lincoln Park/Milwaukee River Ph. II	2012-14	est. 35,000	To be determined	Feasibility study and design work completed; remediation activities in 2014	2,100,000	15,900,000		18,000,000
Ansul arsenic site, Menominee River, Marinette	2014-2015	--	To be determined	Contractor selection in progress; work to start in late 2014 and finish 2015	1,000,000	15,842,428	9,561,619	26,404,047
Total		625,000	60,000	--	22,847,914	114,942,428	32,061,619	169,851,961

Immediate and near-future (1 to 3 years) expenditures will allocate the remainder of the bonding authority to additional contaminated sediment sites, including those listed in the table below:

Potential Sediment Sites for Future Funding				
Site	Status	Contaminant of Concern	Estimated State Contribution	Potential Match Source
Milwaukee River AOC; Cedar Creek Superfund	Likely; currently undergoing feasibility study and negotiations with Responsible Party.	PCB	\$2,000,000	GLRI Betterment & Responsible Party
St. Louis River AOC; Howard's Bay	Likely 2015; signed agreement between agencies and stakeholder, feasibility study to be completed in 2014	Lead, Tributyl Tin, PAH	\$1,000,000	GLRI Betterment & Industry Stakeholder
St. Louis River AOC; Barker's Pickle Pond	Likely 2015; Feasibility study to be completed in 2014	Heavy metals, PAH	\$1,000,000	USFWS
St. Louis River AOC; Crawford Creek	Potential 2016; feasibility study to be completed in 2015, discussions with agencies and responsible party for GLRI Betterment action initiated early 2014	Dioxin, PAH	\$1,500,000	GLRI Betterment & Responsible Party
Milwaukee River AOC; Solvay Coke Superfund Alternative	Potential; Responsible Party currently conducting risk assessment; Sediment outside of RP's area of responsibility will be investigated in 2015 by GLNPO	PAH	\$2,000,000	GLRI Betterment & Responsible Party (multiple partners through transferred liability)
Milwaukee River AOC; downstream of Estabrook Dam	Potential; extent and degree of contamination still needs to be defined (scheduled for 2015, GLNPO).	PCB	\$3,000,000	GLRI & Responsible Party, and County.
Portage Canal	Potential 2016; feasibility study to be completed by early 2015. Dept. has recently initiated discussions with Corps of Engineers for Sect.206 project potential	Lead, Mercury	\$10,000,000	Columbia Co.& U.S. ACE
TOTAL			\$20,500,000	

Expenditure of all funds currently authorized will contribute towards removal of all Great Lakes Areas of Concern (AOC) designations in the state by helping address approximately 75% of the activities identified in the existing Remedial Action Plans. Additional funding authorization, coupled with statutory language adjustment to allow for expansion of funding use, will move the state towards the ambitious goal of initiating management actions for delisting all AOCs by 2020, and will lead to healthier aquatic environments across the state.

Background

The release of industrial contaminants from both point and nonpoint sources into the waters of the State has resulted in sediment contamination at a significant number of locations in Wisconsin. Contaminants, both inorganic and organic, have typically originated from historic releases from single or multiple industrial operations, or from wide-spread releases occurring as both point and non-point sources at varying times throughout the watershed. Common risks associated with contaminated sediments include human and ecological health impacts caused by exposure to pollutants in the food chain.

In the Great Lakes, contaminated sediment has been identified as the largest source of toxins entering the aquatic food chain, and most of Wisconsin's major Great Lakes estuarine tributaries and harbors contain contaminated sediments. All five of the state's Great Lakes Areas of Concern (AOC) have beneficial use impairments attributed to contaminated sediment, such as restrictions on navigational dredging and disposal, and large-vessel anchoring.

Contaminated sediment sites also exist in the Wisconsin River and the Mississippi River Basins, often located within the large impoundments created by the hydroelectric dams found on these rivers and their major tributaries. These sites, while typically smaller in size than Great Lakes sites, still contribute to environmental degradation and are associated with impaired waters of the state. To address these sites, the Department requests modifying statutory language in Ch. 281.87 Wis. State Statutes to include contaminated sediment removal outside of Great Lakes watersheds.

Continued and expanded funding will allow the Department to continue to aggressively address complex contamination issues throughout the state by providing the resources necessary to conduct feasibility studies, plan and execute clean-up operations, leverage local partners and apply for grants and financial matches from federal agencies, and move remedial actions to completion. These efforts will result in decreasing or eliminating the sources of contaminants to fish and wildlife, will lead to the removal of beneficial use impairments in the AOCs, and will help protect the health, safety, and welfare of generations of Wisconsin citizens.

The State of Wisconsin has identified several rivers and streams in the state that have water quality impairments due to the release of toxic contaminants from sediment deposits. In many cases, these streams have fish consumption advisories in place due to the risk to human health presented by the contaminants. Organic chemicals (polychlorinated biphenyls [PCBs], polycyclic aromatic hydrocarbons [PAHs], dichlorodiphenyltrichloroethane/ethylene [DDT/DDE], Dioxin) and heavy metals (Mercury, Lead, Chromium, Cadmium, and Arsenic) are among the common contaminants identified through sediment sampling. In addition, the sediments can be a significant source of conventional water quality impairments such as phosphorus and ammonia.

The Department's Sediment Management Program has evolved over the years to identify contaminated sediment issues in other Great Lakes tributary waters not identified in the early RAPs, as well as in state waters external to the Great Lakes basins. It is primarily through the continued and expanded use of money made available through s. 20.866(2)(ti) bonding authority and executed through Ch. 281.87 that the program has been and will continue to be able to address the human and ecological health risks associated with these sites. Alternative approaches, such as modifications to the State's Environmental Repair Fund (s. 20.866(2)(tg)) or mimicking Minnesota's direct-tax environmental funds (collected through the *Clean Water, Land, and Legacy Amendment* to the MN state constitution) could likewise provide the money necessary to match sums from federal and local-government granting partners.

Aside from the environmental benefits of remediating contaminated sediment, economic benefits are also appreciated. Temporary economic booms for local businesses occur throughout the duration of a remediation project as equipment operators, landscapers, tradesmen, engineers, and scientists converge on site. Beyond the immediate clean up, long-term economic growth in the form of shoreline property development and increased recreational opportunities is common, with estimates of a \$2 to \$3 return for

every \$1 spent on remediation. By removing contaminants, deepening waterways, and restoring shoreland, these blighted regions instantly become more attractive for business investment, redevelopment, and tourism.

It is anticipated that partnering with federal agencies will continue to be the primary mechanism by which Wisconsin's Great Lakes contaminated sediment sites are cleaned up. Funding granted through the Great Lakes Legacy Act (GLLA), authorized in 2001 and managed through EPA-GLNPO, has provided the state the opportunity to leverage s. 281.87 bonding with EPA Legacy funds to execute unprecedented remediation projects at large AOC contamination sites around the state. Additionally, the decision by EPA to manage together the Legacy Program and the 2010 Great Lakes Restoration Initiative appropriations (GLRI) resulted in an increase in available funding to \$70 Million. The GLRI continues to be a very important program for advancing restoration, remediation and protection of the Great Lakes through implementation activities. While the GLRI action plan is scheduled through 2014, the Great Lakes Commission and the Council of Great Lakes Governors have provided strong endorsement of both the GLRI and the Legacy Program and have supported continued funding. Based on the demonstrative success of this initiative throughout all the Great Lakes States, this important funding initiative is expected to continue beyond 2014.

**DEPARTMENT OF NATURAL RESOURCES
2015-17 Statutory Language Proposals**

A. DEPARTMENTWIDE

1. **Obsolete Appropriations**--The Department proposes to repeal the following inactive appropriations from Chapter 20 of the statutes:

- 20.370 (3)(dg) Environmental impact—consultant services; printing and postage costs
- 20.370 (4)(bh) Water Regulation and Zoning – Dam inspections and safety Administration;
- 20.370 (5)(ac) Resource aids — Milwaukee Public Museum
- 20.370 (6)(ac) Lake Koshkonong Study
- 20.370 (6)(bj) Environmental aids-waste reduction and recycling grants and gifts
- 20.370 (6)(bk) Environmental Aids – Wastewater and drinking water grant
- 20.370 (6)(ca) Environmental aids-scenic urban waterways
- 20.370 (9)(eg) Gifts and grants; environmental management systems.

B. FORESTRY DIVISION

1. **Forestry Grant Appropriations**--The Department requests conversion of 3 forestry grant programs to continuing appropriations to allow for flexibility in funding projects that may cross fiscal years and fully utilize available funding for these purposes. The appropriations are as follows:

- 20.370(5)(av) Wisconsin forest landowner grants (WFLGP)
- 20.370(5)(az) Urban forestry grants
- 20.370(5)(by) Fire suppression grants

The Bureau of Forestry administers three main partnership grants that utilize state funding--Urban Forestry grants, Forest Fire Protection grants (FFP) and Wisconsin Forest Landowner grant program (WFLGP). Grants are awarded for up to a two year period and funds are reimbursed to grantees based on actual project costs. Funds lapse back to the Forestry Account in instances where there is a difference between the award amount and the actual project amount.

- a. WFLGP grants are funded at \$1,147,900 per year in a biennial appropriation. The advantage of the biennial appropriation is that it allows some flexibility in dealing with funding discrepancies the first year of the biennium. However, this type of funding only offers minor relief from the problems associated with funding long-term forestland improvement practices for landowners.
 - i. The Department must encumber funds for the 24 month grants based on estimates of the cost of the practice. While Department staff use the best information that is available at the time the grant is applied for, the estimates can be off by due to changing circumstances, unforeseen problems, or switches in contractors. When the actual cost is less than the initial estimated cost, only part of the award is paid out and the balance is returned to the Forestry Account. The balance or slippage from the grant can be reallocated only if used within the same biennium from which the initial award originated. Otherwise, the dollars cannot be reallocated. Currently over \$600,000 each biennium is reverted from grants awarded in a previous biennium, whereas a continuing appropriation could provide

the means with which to fund up to 100 additional landowner grants from reallocated dollars.

- b. Urban forestry grants are funded at \$524,600 per year in a biennial appropriation. Grants are awarded to municipalities to aid in managing urban forests and most recently have been targeted to municipalities dealing with Emerald Ash Borer (EAB). As with WFLGP grants, much of the same approach is taken to administer and award the funds to grantees. This program reverts about \$20,000 per year in funding. Converting to a continuing appropriation would support the addition of 1-3 grants per year to municipal communities.
- c. Fire suppression grants are funded in an annual appropriation of \$170,000. Currently, by the time grantees realize that they have requested more funding than they need, there is too little time in the fiscal year to re-allocate the leftover funding to other eligible projects/expenditures. Creating a continuing appropriation will allow full use of the grant funding in any given fiscal year.

- 2. Timber Sale Reporting Requirements**— The Department requests modification of s. 28.11 of the statutes related to submitting a report of merchantable wood products cut on a county forest. The current requirement is that a report be submitted within 90 days of completion, but no more than two years after filing the cutting notice. It would be amended to require transmission of a report within 90 days of completion, but no more than five years after filing the cutting notice. This change from two years to five years for filing the cutting notice more closely reflects currently accepted timber sale contract lengths and reduces unnecessary county and department workload.

The intent of the statute is to require county forests to report harvested merchantable timber in a timely fashion and to ensure timely repayment of any outstanding county forest loans. Timber sale contracts are most often written to cover a period of approximately two years, although the length of time varies based on specific circumstances including volume of timber to be harvested and seasonal restrictions. In addition to the original contract period, contracts may be extended multiple times at the discretion of the county forestry committee. Department guidance recommends that total contract length should not exceed four years.

In order to comply with the current statute, county forestry departments must file final cutting reports within 90 days for all timber sales completed and must also file partial cutting reports for all contracts that have not been completed within two years of filing the initial cutting notice. Since the typical contract length is two years and in most cases the cutting notice is submitted to the Department two to six months prior to the contracts being signed, most initial contracts are not even required to be completed until sometime more than two years after filing of the cutting notice. Further, many contracts may be written for longer than two years to provide additional flexibility to logging contractors, particularly for large, complex, or seasonal timber harvests. The result is county forestry departments filing partial cutting reports on many timber sales each year, some of which have not even been started. Filing partial cutting reports takes time and effort for county forestry staff and subsequently for Department staff, who must review and record those partial reports. This time could be better spent on other forest management tasks.

Ultimately, total repayment amounts will be the same under the proposed revision, although some repayments tied to individual timber sales will be delayed. However, averaging out all county forest loan repayments for all outstanding loan balances based

on all the individual timber sale partial and final reports will most likely result in a very similar stream of total loan repayments to the state each year.

- 3. Timber Direct Sale Limit Increase**—The Department requests modification of ss.28.05, 28.11 and 28.22 of the statutes to increase the direct sale—sales without a competitive bidding process--amount for timber sales on public lands from \$3,000 to \$10,000 to better align them with current price structures. This direct sales limit was last revised in 1999.

The intent for these three statutes is to mandate that an open and fair competitive bidding process be applied on our public land timber sales. The direct sale limit, currently \$3,000 of appraised value, allows managers to sell smaller amounts of timber directly to a contractor without advertising. In certain instances, being able to quickly work with a contractor is advantageous. They may have the availability or type of equipment that is a perfect match for a smaller timber sale, allowing timber to be sold when in other circumstances it may be less possible.

When the direct sale limit was last revised in 1999, the average sold timber sale value on public lands was \$21,525. The direct sale limit of \$3,000 was 13.9% of that figure. In 2012, the average sale value has risen to \$48,178. A proposed direct sale limit of \$10,000 would be 20.8% of the current average sale value. Reasons for the proposed increase include increased stumpage rates and the onset of more efficient (and more expensive) cut-to-length processing machines. This technology is now the norm in Wisconsin and has increased production rates dramatically. Moving the equipment from site to site is costly and contractors are less likely to move to small timber sales. There is also an expectation that there will be some savings from not advertising (~\$1000/year) as well as time saved from not working through the entire timber sale process. The land managers will be in a position to perform the land management activities in a timely and efficient manner when unique circumstances present themselves and maximize revenue from that sale, As an example of the impact of increased stumpage rates, with the high value of some products, such as red pine, the current \$3,000 limit prevents the direct sale of as little as 40 cords of red pine pulp in some cases. The proposed \$10,000 limit would allow for direct sale of approximately 275 cords of wood, on average.

In summary, the proposed change would allow state, county and community forests to more efficiently and effectively sell small timber sales, which can be difficult to complete.

Sale Amt.	Avg, number of sales FY11-13-- STATE	Avg, number of sales FY11-13-- COUNTY
<\$3,000	29	30
>\$3,000 & <10,000	34	92
>\$10,000	167	628
Total Sales	230	750

- 4. Timber Sale Advertising Requirements**--The Department requests modification of ss.28.05, 28.11 and 28.22 of the statutes to remove the requirement for publishing notice of timber sales in an official newspaper having general circulation in that county that the timber is being sold. The revised statutes would offer an option to post on an official website or publish in a newspaper.

The intent for these three statutes is to mandate that an open and fair competitive bidding process be applied on public land timber sales. In doing so, the statutes require publication of a classified advertisement in a newspaper having general circulation in the county in which the timber is sold. Solely relying on newspaper advertising to reach prospective bidders may be missing some potential contractors who are becoming more attuned to searching for opportunities on the web. Classified ads are also expensive, averaging \$23.78 per sale in FY13. Allowing for other advertising methods such as posting on the web would save administrative costs while still ensuring a competitive bidding process. Revising the advertising requirements could save approximately \$21,900 per year for the state, counties, municipalities and schools who administer public forests.

The goal of advertising public forest timber sales is to encourage the maximum number and value of bids submitted. As such, in most cases a list of interested eligible bidders is maintained locally and those bidders are contacted to be made aware of the sale of timber. Further, it is also typical to give bidders as much time as possible (often 2-4 weeks) between notification/advertisement and the actual bid opening, in order to provide time to inspect the sale areas and develop bids; however, the time frames vary based on the unique circumstances of each sale. Department handbook guidance currently requires advertising for two consecutive weeks, with the last being at least one week prior to the bid opening.

There is also the effect of duplicity. For example, many of the Department's properties span multiple counties. It is common practice that as timber sales are established and ready to be sold, they are all offered for sale at one time as a "package" whereby contractors bid on individual sales in that package. It is not uncommon that in these packages, sales are bundled that originated from more than one county. To execute the law, the same advertisement for that package is published in County A, County B and even County C and then repeated a second time to meet the law of publishing twice. This essentially triples the cost of advertising for the same event.

5. **MFL Program Modification**--The Department requests modifications to s.77.88 of the statutes to allow a landowner to voluntarily withdraw from managed forest law (MFL) designation if the Department determines that part of a parcel is unsuitable for the production of merchantable timber, due to environmental, ecological or economic or other concerns or if the Department determines that the parcel is unable to produce merchantable timber in the amount required under the MFL program. The owner would only be able to withdraw the number of acres that is necessary for the parcel to resume sustainable production of merchantable timber or resume its ability to meet the merchantable timber production requirement. The owner is exempt from paying a withdrawal tax or fee for these types of withdrawals.

C. LAND DIVISION

1. **Bureau of Natural Heritage Conservation**--The Department requests to modify the following Statutes to recognize that the Bureau of Endangered Resources Bureau has been renamed to the Bureau of Natural Heritage Conservation:
 - all references in Chapter 20
 - s. 29.319(2)
 - s. 71.10 (5)
 - s. 71.30(10)

D. ENFORCEMENT

1. **Renaming Program 3**--The Department requests to rename subsection 20.370(3) of the appropriations schedule from "Enforcement and Science" to "Public Safety and Business Support". The name change coincides with the transfer of the Office of Business Support & Sustainability from subsection (9) to subsection (3).

E. WATER DIVISION

1. **Stormwater General Permit**--The Department proposes statutory language that would require it to issue a general stormwater permit to the Department of Transportation (DOT). Current law exempts DOT from permit process requirements and instead requires a formal interagency liaison process review of all environmental aspects of DOT projects. EPA raised concerns that the Department was not issuing WPDES permits to DOT based on the exemption. This proposal would maintain the long-standing review processes of the interagency cooperative agreement and would result in the Department granting WPDES permit coverage to DOT projects.

Under an interagency agreement with DOT, the Department provides transportation "liaisons" throughout the state who perform environmental reviews (erosion, waterway and wetland regulations, and environmental assessments, as needed) of state roadway projects in the DNR regions. The amount of money that DOT pays the Department for these services is not expected to change, nor would the amount of workload that is needed to review and approve DOT projects.

2. **Kettle Moraine Springs-Stewardship Bonding**--The Department requests that an additional \$14 million of Stewardship Bonding be designated for the Kettle Moraine Springs Fish Hatchery renovation project to fully fund the project. This request has two components:

Redirect additional existing Stewardship Bonding for this project - \$7 million in FY 2017 and \$7 million in FY 2018 "that may be obligated only for infrastructure improvements to the Kettle Moraine Springs Fish Hatchery" to complete the anticipated funding package needed to construct improvements at the Kettle Moraine Springs SFH. Modify the date by which all monies directed to the Kettle Moraine Springs Hatchery renovation are obligated to "before July 1, 2018".

Renovation of the Kettle Moraine Springs SFH is estimated to cost \$28 million. 2013 Wisconsin Act 20 redirected \$7 million in FY 2015 and \$7 million in FY 2016 of existing Stewardship Bonding "that may be obligated only for infrastructure improvement to the Kettle Moraine Springs Fish Hatchery" as long as the monies are obligated before July 1, 2017 and are subject to approvals by the Joint Committee on Finance. These funds represent half of the funding needed to complete the improvements at the Kettle Moraine Springs SFH. All \$28 million must be appropriated for the project before the project can be taken to the Building Commission and go out for bid.

The renovation of the Kettle Moraine Springs SFH is key to maintaining the stocking of fish in support of Fisheries Management activities on the Great Lakes, primarily Lake Michigan, which is largely dependent on stocking. The Kettle Moraine Springs Hatchery project is Fisheries Management's highest priority hatchery renovation/reconstruction project for enhancing the state's capacity to stock fish in Wisconsin. Over time, stocking

has fallen short of the identified need due in large part to many older, deteriorating hatchery facilities.

- 3. Expand Eligibility for Well Compensation Grants**--The Department requests modification of the Well Compensation Statute (281.75) to allow a city, village, town, county or special purpose district to access the well compensation fund for monies to properly fill and seal residential water supply wells or livestock water supply wells, on parcels with no clear owners, within their jurisdictional boundaries. Proposed changes will specifically exempt industrial wells or any well that has been used as a community public water supply.

Unused wells, on properties with no clear owners, are not being properly filled and sealed. These unused wells often pose a threat to public health or the environment. Wis. Stats. 281.75 (4) does not allow a city, village, town, county or special purpose district to apply for well compensation or well abandonment grants.

During the last 10 years, the Drinking Water and Groundwater Program has encountered one or two private wells each year on properties that have no clear owner that do not comply with the well and pump code. These wells often pose a threat to public health and welfare or to groundwater. Well compensation/abandonment grant funds may only be granted to a well owner or renter. If the program was available to local government entities, they could negotiate access to the well and contract with a licensed individual to do the work. They would then receive reimbursement for 75% of the costs of the well filling and sealing.

If grant eligibility is changed, the Department estimates that it would receive 2 - 4 applications per year for wells on properties with no clear owners. The estimated cost for filling and sealing a private well is \$800 - \$1,000.

Industrial wells or wells that have been used as a community public water supply will continue to be excluded from well abandonment grant eligibility. These wells are often deep and large diameter. Excluding these wells will prevent excessive draws on the fund.

- 4. River Grant Appropriation Structure**—The Department proposes to modify the river protection grant appropriation [20.370 (6)(av)] from an annual to a biennial appropriation and further specify that any unencumbered balance at the end of a biennium shall lapse back to the water resources account instead of to the lake protection continuing appropriation.

This proposal, in effect, establishes a 2-year grant cycle that allow staff to more consistently manage the program in concert with the Lake Protection and AIS grants. The Water Quality and Community Financial Assistance bureaus have recently undertaken a long term plan to coordinate and align application and awarding processes to improve customer service and reduce staff work load. The three grant programs have many common features (e.g. similar application requirements, application deadlines, often the same applicants or sponsors and similar kinds of activities as well as accounting and reporting requirements). Having all three operating on a more closely aligned grant cycle will make the coordination and administration of the funds consistent and easier.

River grants are currently funded at \$289,500 and are oversubscribed. Moving to a biennial appropriation would allow more river projects to be funded each biennium rather than lapse at the end of each fiscal year. Moreover, a two-year grant cycle reduces time constraints for staff, improve customer service and evens out staff work flow.

**ENVIRONMENTAL IMPROVEMENT FUND
2015-2017 BIENNIAL FINANCE PLAN
September 2, 2014**

EXECUTIVE SUMMARY

The Environmental Improvement Fund (EIF) is jointly administered by the Department of Natural Resources and the Department of Administration. The EIF comprises the Clean Water Fund Program, the Safe Drinking Water Loan Program, and the Land Recycling Loan Program. These programs provide low-interest rate loans to municipalities to construct wastewater and drinking water facilities.

The EIF is budgeted as a separate agency. Therefore, any debt authorization for the EIF does not appear within the Department's budget. The statute requires the two agencies to jointly prepare a Biennial Finance Plan detailing the amount of general obligation bonding authority, revenue bonding authority, and present value subsidy authority needed for each of the loan programs. The Biennial Finance Plan is submitted to the Joint Finance Committee, the standing environmental committees of the Legislature, and the Building Commission. The legislative committees make recommendations to the Building Commission, which ultimately either approves, modifies or denies the requested authorizations.

The following table provides the authorizations for each of the loan programs which will be requested in the Biennial Finance Plan. The requests total \$7.5 million of general obligation borrowing authority, no new revenue bonding authority, and \$86.3 million of present value subsidy authority.

**PROPOSED FUNDING LEVELS FOR THE ENVIRONMENTAL IMPROVEMENT FUND (EIF)
2015-2017 Biennium
BONDING AUTHORITY AND PRESENT VALUE SUBSIDY LIMIT
(in millions of dollars)**

	CHANGE IN AMOUNT	CUMULATIVE
A. CLEAN WATER FUND PROGRAM		
General Obligation Bonding	\$0*	\$740.8
Revenue Bonding	\$0	\$2,708.9
Present Value Subsidy	\$53.4	n/a
Bonding and present value subsidy levels are expected to be sufficient to meet all of the estimated non-hardship requests.		
B. SAFE DRINKING WATER LOAN PROGRAM		
General Obligation Bonding	\$7.5*	\$69.4
Present Value Subsidy	\$32.9	n/a
C. LAND RECYCLING LOAN PROGRAM		
Present Value Subsidy	\$0	n/a

Notes:

* For the 2015-17 biennium, it is estimated that the Clean Water Fund Program and the Safe Drinking Water Loan Program will together require \$7.5 million of new general obligation bonding authority to fund \$611.0 million in new projects expected to apply during that period. The new authority requested, along with amounts expected to carry over from previous biennia, will provide amounts sufficient to fund the subsidies, reserves, federal capitalization grant matching amounts, and hardship grants for the biennium.

The proposed funding levels of general obligation bonding, revenue bonding, and present value authority are based on estimates of future needs for funding. These estimates, and the associated funding levels, may change as more data becomes available and as the budget development process proceeds.

**DEPARTMENT OF NATURAL RESOURCES
CAPITAL DEVELOPMENT BUDGET
2015-2017**

Comparison of 2015-17 Request to 2013-15, by Source

Funding Source	2013-15 Request	2013-15 Final	2015-17 Request
Stewardship Recreation Development	\$14,000,000	\$14,000,000	\$12,500,000
Old Stewardship	450,000	450,000	0
Forestry Conservation Segregated Bonds	6,559,800	6,559,800	5,668,700
Fish and Wildlife Conservation Segregated Bonds	889,500	889,500	2,470,800
Contingency Conservation Segregated Bonds	392,200	392,200	500,000
Environmental Segregated Bonds	948,300	948,300	912,900
Total Bonding	\$23,239,800	\$23,239,800	\$22,052,400
GPR	1,624,600	1,211,200	1,380,000
GPR-Historic Sites	121,200	300,000	365,800
Multi-Program Admin. Facility	358,715	288,800	358,800
Total GPR	\$2,104,515	\$1,800,000	\$2,104,600
Roads (DNR Roads)	4,000,000	2,666,665	4,000,000
Road Aids (for Local Government Roads)	2,000,000	1,333,335	2,000,000
Total Road Funds	\$6,000,000	\$4,000,000	\$6,000,000
Fish Seg.	224,800	222,548	225,000
Forestry Seg.	1,346,600	1,333,105	1,546,200
Wildlife Seg.	224,800	222,548	225,000
Seg. Administrative Facilities	756,904	744,800	757,000
Operations (ATV, Snowmobile)	405,000	0	405,000
LE Boat - State	200,000	200,000	200,000
Boat (Motor fuel tax, Boat 773 & 775)	600,000	554,400	600,000
Rental/Other	47,500	360,000	360,000
Stamps (Salmon, etc.)	1,873,021	1,873,021	0
Mississippi River (EMP)	125,000	115,400	125,000
Total Conservation & Other DNR	\$5,803,625	\$5,625,822	\$4,443,200
DEVELOPMENT - Regular DNR Funded	\$40,983,475	\$34,665,622	\$34,600,200
All Agency	500,000	800,000	1,419,000
General Fund Supported Borrowing	0	0	4,025,900
Federal (Including SFR, PR, NRTA, Boat RBF, LE Boat - Fed, LAWCON)	3,335,535	3,335,535	4,069,400
Ducks Unlimited	0	0	0
Gifts & Grants	0	0	0
Total Fed & Other Non-DNR	\$3,835,535	\$4,135,535	\$9,514,300
TOTAL DEVELOPMENT	\$44,819,010	\$38,801,157	\$44,114,500
Kettle Moraine Springs Hatchery - Future		\$7,000,000	\$14,000,000
SER HQ Total - Special	\$17,012,900	\$17,012,900	\$0
DEVELOPMENT - Future State Funded and Special Projects	\$61,831,910	\$62,814,057	\$58,114,500
Preliminary Design Costs			-583,900

9/3/2014

**DEPARTMENT OF NATURAL RESOURCES
CAPITAL DEVELOPMENT BUDGET
2015-2017**

Proposed Project and Funding Summary by Program

Program	Amount
ENDANGERED RESOURCES	\$80,000
FISHERIES/WATERSHED	\$3,290,300
FORESTRY	\$7,554,000
LANDS	\$62,858
LAW ENF/ISS/RESEARCH	\$1,844,100
PARKS & REC	\$13,316,335
WILDLIFE	\$2,194,550
FACILITIES (includes funding placeholders and contingency)	\$15,772,357
Total :	\$44,114,500

**DEPARTMENT OF NATURAL RESOURCES
CAPITAL DEVELOPMENT BUDGET
2015-2017 Major & Minor Project List, by Priority**

Priority	Rank	Major Projects (> \$760 K)	Project Cost
A1	1	WILLOW RIVER STATE PARK(LITTLE FALLS DAM REPAIR)	\$3,041,700
A1	2	GOVERNOR DODGE STATE PARK(COX HOLLOW DAM REPAIR)	\$984,200
B1	3	BLACK RIVER FALLS SERVICE CENTER(BRF JOINT FOREST FIRE OPERATIONS FACILITY)	\$1,847,700
B1	4	GRESHAM RANGER STATION(CONSTRUCT JOINT RANGER STATION AT GRESHAM)	\$1,808,200
B1	5	FOREST HEALTH PROTECTION LABORATORY(RENOVATE FOREST HEALTH PROTECTION LAB)	\$1,050,500
B1	6	LAKE WISSOTA STATE PARK(CONSTRUCT PEVS)	\$1,183,200
B1	7	SCR FISHERIES OPERATIONS(NEVIN CONSOLIDATED FISHERIES AND WATER QUALITY OPERATIONS CENTER)	\$2,576,400
Priority	Rank	Minor Projects (< \$760 K and > \$185K)	Project Cost
A1	1	YELLOWSTONE LAKE STATE PARK(DAM REPAIR)	\$332,000
A1	2	GOVERNOR DODGE STATE PARK(ABANDON HALVERSON DAM)	\$287,000
A1	3	POINT BEACH STATE FOREST(REPLACE WATER LINES IN THE CAMPGROUND)	\$218,100
A1	4	HIGH CLIFF STATE PARK(HIGH CLIFF STATE PARK INFRASTRUCTURE UPGRADES)	\$516,500
B1	5	MCMILLER SHOOTING RANGE(MCMILLER - REPLACE 100-YARD RANGE FIRING LINE STRUCTURE)	\$552,600
B1	6	MCMILLER SHOOTING RANGE(MCMILLER 25-YARD RANGE FIRING LINE STRUCTURE)	\$422,500
B1	7	MCMILLER SHOOTING RANGE(MCMILLER - REPLACE 50-YARD RANGE FIRING LINE STRUCTURE)	\$401,900
B1	8	POINT BEACH STATE FOREST(LE BOAT SHED POINT BEACH)	\$240,100
B1	9	WAUSAUKEE RANGER STATION(WAUSAUKEE FIRE CONTROL MECHANIC SHOP ADDITION)	\$744,800
B1	10	BIG FOOT BEACH STATE PARK(REPLACE/UPGRADE CONTACT STATION)	\$403,200
B1	11	LAKESHORE STATE PARK(DOCK DECKING AND BUMPER REPLACEMENT)	\$283,200
B1	12	MEAD WILDLIFE AREA(REPLACE DANCY COMMUNICATION TOWER)	\$317,500
B1	13	POINT BEACH STATE FOREST(HISTORIC LODGE SHELTER REMODEL)	\$185,000
B1	14	PENINSULA STATE PARK(LTE HOUSING BUILDING REPLACEMENT)	\$281,500
B1	15	KETTLE MORAINNE STATE FOREST-SOUTHERN UNIT(EAGLE FISHERIES OPERATIONS SHOP REPAIRS/EXPANSION)	\$398,800
B1	16	CREX MEADOWS WILDLIFE AREA(CONSTRUCT CONSOLIDATED LARGE EQUIPMENT STORAGE FACILITY)	\$599,400
B1	17	POYNETTE STATE GAME FARM(CONSTRUCT HEAVY EQUIPMENT STORAGE FACILITY)	\$736,700
B2	18	HIGH CLIFF STATE PARK(MARINA MODERNIZATION AND REPAIR)	\$324,700
B2	19	NORTHERN HIGHLAND AMERICAN LEGION STATE FOREST(REPLACE OLD VAULT TOILETS-CRYSTAL DAY USE AREA)	\$344,300
B2	20	BUFFALO RIVER STATE TRAIL(BRIDGE MAINTENANCE/REPLACEMENT)	\$383,000
D	21	WOLF RIVER STATE TRAIL(RECREATIONAL BRIDGE OVER WOLF RIVER AT HWY 64)	\$560,200

WASTE MANAGEMENT FUND

Wisconsin State Statutes, 289.68(7) requires the Natural Resource Board to submit with the biennial budget a report on the fiscal status of the Waste Management Fund.

The Waste Management Fund was established by the Legislature to provide for the long-term care and environmental repair of municipal solid waste disposal facilities after the owner's financial responsibility has terminated. As authorized, revenues to the fund were obtained through a tipping fee collected from owners or operators of sites licensed for the disposal of solid or hazardous waste

Fiscal Status of the Waste Management Fund	
Cash Balance, 07/01/2013	\$7,946,408
Fiscal Year 2014 Revenue	12,317
Fiscal Year 2014 Expenditures	(347,211)
Cash Balance, 06/30/2014	\$7,611,514

The fiscal year 2014 beginning cash balance consists of \$1,999,172 from fee revenue, \$4,920,986 from interest earned on the fee revenue, and \$1,026,250 from various legal actions and interest earned on those deposits. Revenue received in fiscal year 2014 includes \$5,999 of interest earned on fee revenue/interest and \$6,318 of revenue and interest from judgments and other legal actions. Expenditures of \$347,211 were for closure and long-term care work at several landfills.

The only steady source of revenue to the Waste Management Fund is interest generated by the Fund. Revenue from judgments/legal actions is infrequent and unpredictable. The Department cannot anticipate what specific expenditures will be made from the Fund in future years, other than to say they would be necessary to repair or provide long-term care for a municipal solid waste disposal facility.