

**Wisconsin Department of Natural Resources
Natural Resources Board Agenda Item**

SUBJECT: Request approval of the Department's 2013-15 Biennial Budget, including Operating, Capital, and Environmental Improvement Fund Components

FOR: September 2012 Board meeting

TO BE PRESENTED BY: Joe Polasek, Director, Bureau of Management and Budget, and Steven Miller, Director, Bureau of Facilities and Lands

SUMMARY:

The Department's 2013-15 Biennial Budget includes operating, capital, and Environmental Improvement Fund components.

1. This is a restrained budget package, reflecting the national economic climate and the Department of Administration's policy guidance. The proposed two-year DNR budget is \$553.6 million for 2013-14 and \$553.0 million for 2014-15. In total, the two-year budget includes a decrease of \$16.8 million over the 2013-15 Biennial Budget. \$13.3 million of this two year decrease 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 1.5% decrease to the 2012-13 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, Fisheries and Law Enforcement operations. The budget also includes 2.0 additional new FTE to assist in our efforts to oversee Sand Mining efforts in the State.

This budget includes a decrease of 17.60 FTE to the Department's base staffing complement, bringing overall staffing to 2,641.34.

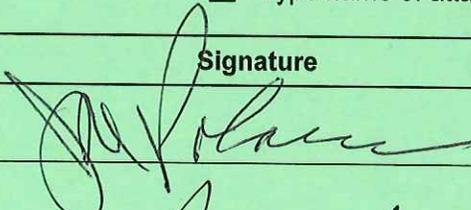
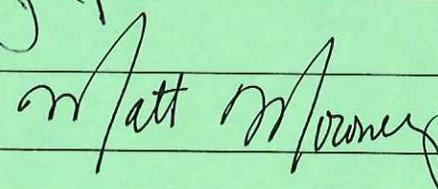
2. The budget would also authorize \$58.0 million for capital development projects as outlined in the attached material.

3. The Environmental Improvement Fund (EIF) leverages federal dollars to provide loans to municipalities to construct or upgrade municipal wastewater or drinking water treatment facilities. The Biennial Finance plan for the EIF includes no additional general obligation bonding authority, or revenue bonding authority, and \$76.7 million of present value subsidy for the Clean Water Fund; it also includes \$7.1 million in general obligation bonding authority and \$29.6 million of present value subsidy for the Safe Drinking Water Fund.

RECOMMENDATION: Recommend approval of the 2013-15 operating and capital budgets, and the EIF Biennial Finance Plan. Authorize the Secretary to make technical adjustments if necessary.

LIST OF ATTACHED MATERIALS (check all that are applicable):

- Background memo
- Type name of attachment 2 if applicable
- Type name of attachment 3 if applicable
- Type name of attachment 4 if applicable

Approved by	Signature	Date
Joe Polasek, Bureau Director		09-18-12
(choose one), Administrator		
Cathy Stepp, Secretary		9/18/12

State of Wisconsin

**DEPARTMENT OF
NATURAL RESOURCES**

**2013-2015
BIENNIAL BUDGET
PROPOSAL**



Recommended by:

Cathy L. Stepp, Secretary

To the Natural Resources Board

September 2012

DATE: September 17, 2012

TO: Natural Resources Board

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



SUBJECT: Proposed Department of Natural Resources State Budget: 2013-2015

Enclosed for your review and action are my recommendations for the Department of Natural Resources 2013-2015 Biennial State Budget.

This is a restrained budget package, reflecting the national economic climate and the Department of Administration's policy guidance. The proposed two-year DNR budget is \$553.6 million for 2013-14 and \$553.0 million for 2014-15. In total, the two-year budget includes a decrease of \$16.8 million over the 2013-15 Biennial Budget. \$13.3 million of this two year decrease 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 1.5% decrease to the 2012-13 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. The budget also includes 2.0 additional new FTE to assist in our efforts to oversee Sand Mining efforts in the State. A table of all expenditure items is included on page 6 of the following attachment.

This budget includes a decrease of 17.60 FTE to the Department's base staffing complement, bringing overall staffing to 2,641.34.

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

2013-15 DNR BIENNIAL BUDGET
(in millions of \$)
(Subtotals may vary slightly due to rounding)

Secretary's Recommendations	DNR 2012-13 Base Doubled	Cost to Continue	Requests Beyond Base	2013-15 TOTAL Budget Request	% Change to Base	% of Total Budget
General Purpose Revenues	\$256.9	-\$1.9	-\$4.4	\$250.6	-2.5%	22.6%
Conservation Fund	479.2	-10.1	3.9	473.2	-1.3%	42.8%
Environmental Fund	134.7	-0.3	0.8	135.2	0.4%	12.2%
Clean Water Fund	4.8	-0.3		4.5	-6.3%	0.4%
PECFA-SEG	11.7	-0.1	-3.4	8.2	-29.9%	0.7%
Dry Cleaner Environmental Response Fund	2.1			2.1	0.0%	0.2%
Program Revenue	71.1	-0.7		70.4	-1.0%	6.3%
Tribal Gaming Agreement Revenue	3.2	-0.1		3.1	-3.1%	0.3%
Federal Revenues	159.7	0.2	-0.4	159.5	-0.1%	14.4%
Total	\$1,123.4	-\$13.3	-\$3.5	\$1,106.6	-1.5%	100.0%

Department of Natural Resource Staffing by Funding Source				
Secretary's Recommendations	DNR 2012-13 Base (FTE)	Changes to Base (FTE)	2014-15 TOTAL Budget Request (FTE)	% of Total Budget
General Purpose Revenues	291.10	(6.10)	285.00	10.8%
Conservation Fund	1,451.66	1.00	1,452.66	55.0%
Environmental Fund	116.10	4.00	120.10	4.5%
Clean Water Fund	17.00		17.00	0.6%
PECFA-SEG	26.25		26.25	1.0%
Dry Cleaner Environmental Response Fund	3.00		3.00	0.1%
Program Revenue	248.14	(2.00)	246.14	9.3%
Tribal Gaming Agreement Revenue	12.00		12.00	0.5%
Federal Revenues	493.69	(14.50)	479.19	18.1%
Total	2,658.94	(17.60)	2,641.34	100.0%

**2013-15 Department of Natural Resources
Biennial Budget Request
By Division and Bureau**

Division	Bureau	FY 2013 Base	FY 2013 Base FTE	FY 2014	FY 2015	FY 2015 FTE
<u>LANDS</u>						
	Lands Operations	1,143,300	8.00	1,152,200	1,152,200	8.00
	Wildlife Management	21,085,700	161.50	21,208,700	21,208,700	162.50
	Southern Forests	5,866,700	45.25	5,789,700	5,789,700	45.25
	Parks And Recreation	19,031,500	152.50	18,792,900	18,792,900	152.50
	Endangered Resources	5,446,700	33.50	5,344,900	5,210,500	31.50
	Facilities And Lands	10,582,800	88.30	10,323,700	10,340,600	89.30
	total	63,156,700	489.05	62,612,100	62,494,600	489.05
<u>FORESTRY</u>		55,268,700	464.58	53,748,500	53,748,500	464.58
<u>AIR & WASTE</u>						
	Air Management	17,400,400	148.25	16,636,900	16,636,900	148.00
	Cooperative Environmental Assistance	1,159,500	8.50			
	Waste & Materials Management	7,804,200	77.50	7,608,100	7,608,100	77.25
	Remediation & Redevelopment	11,752,900	88.25	10,694,300	10,694,300	88.25
	Air And Waste Operations	998,700	7.00	939,900	939,900	7.00
	total	39,115,700	329.50	35,879,200	35,879,200	320.50
<u>ENFORCEMENT & SCIENCE</u>						
	Law Enforcement	30,928,500	227.58	30,660,000	30,665,000	229.58
	Science Services	11,377,300	91.00	8,654,700	8,521,400	56.90
	Enf/Science Operations	860,100	6.50	892,100	892,100	6.50
	total	43,165,900	325.08	40,206,800	40,078,500	292.98

Division	Bureau	FY 2013 Base	FY 2013 Base FTE	FY 2014	FY 2015	FY 2015 FTE
<u>WATER</u>						
	Watershed Management	36,745,800	321.66	15,716,200	15,630,200	142.04
	Fisheries Management	26,321,600	226.68	25,949,500	25,999,200	226.68
	Drinking Water/Groundwater Mngt	14,095,600	115.79	13,017,100	12,993,500	114.29
	Water Quality Management			20,083,700	19,584,500	164.62
	Water Operations	1,157,800	9.00	1,235,900	1,235,900	11.00
	total	78,320,800	673.13	76,002,400	75,443,300	658.63
	<u>RESOURCE AIDS</u>	46,756,200		46,963,900	46,963,900	
	<u>ENVIRONMENTAL AIDS</u>	31,712,300		31,972,200	31,972,200	
	<u>DEBT SERVICE/DEVELOPMENT</u>	145,947,300		145,289,200	145,289,200	
<u>ADMINISTRATION</u>						
	Administration	1,499,500	12.00	1,710,700	1,710,700	14.00
	Legal	2,420,700	18.50	2,209,500	2,209,500	18.50
	total	3,920,200	30.50	3,920,200	3,920,200	32.50
<u>CAES</u>						
	Finance	7,060,100	59.00	7,088,600	7,088,600	61.25
	Management & Budget	855,500	8.00	834,600	834,600	7.00
	Information Technology	11,317,800	60.80	10,599,200	10,599,200	60.00
	Human Resources	4,267,500	49.05	4,255,400	4,255,400	48.05
	Administrative Facilities Rent	7,112,000		7,232,000	7,383,600	
	Customer Services & Licensing	12,392,900	83.65	11,925,900	11,925,900	79.90
	Education & Information	2,012,400	14.60	2,249,700	2,249,700	16.00
	Community Financial Assistance	6,440,000	60.15	6,390,900	6,390,900	60.15
	Office Of Business Support & Sustainability			3,640,000	3,640,000	38.00
	CAES Operations	2,855,000	11.85	2,811,700	2,811,700	12.75
	total	54,313,200	347.10	57,028,000	57,179,600	383.10
	Department Totals	561,677,000	2,658.94	553,622,500	552,969,200	2,641.34

**Department of Natural Resources
2013-15 Biennial Budget Highlights**

DNR 2013-15 Budget Request		2013-14 \$\$	FTE	2014-15 \$\$	FTE
	Land Program				
1.	-Parks & Southern Forests Operations	574,200		574,200	
2.	-Facility & Lands Master Planner	55,600	1.00	72,500	1.00
	Forestry Program				
3.	-Maintain Base Operations	434,500		434,500	
	Air & Waste				
4.	Sand Mine Monitoring Program-- 2.0 FTE & Funding Offset				
	Enforcement & Science				
5.	Warden Operation Costs	326,600		326,600	
6.	Environmental Enforcement Staffing	127,300	2.00	163,800	2.00
7.	Remote Sensing of Lake Water Quality	85,000	1.00	85,000	1.00
	Water Program				
8.	Maintaining Current Hatchery Operations	85,500		135,200	
	Subtotal-- Requests for New Funding	1,688,700	4.00	1,791,800	4.00
9.	Cost to Continue Items	(6,210,000)	(3.00)	(6,966,400)	(15.50)
10.	GPR Reductions	(2,201,400)	(6.10)	(2,201,400)	(6.10)
11.	Revenue Reestimates	373,000		373,000	
12.	Technical Appropriation Transfer	(1,704,800)		(1,704,800)	
	Subtotal-- Of All Other Adjustments	(9,743,200)	(9.10)	(10,499,600)	(21.60)
13.	Net Department Change to base	(8,054,500)	(5.10)	(8,707,800)	(17.60)

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--Endangered Resources
- 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

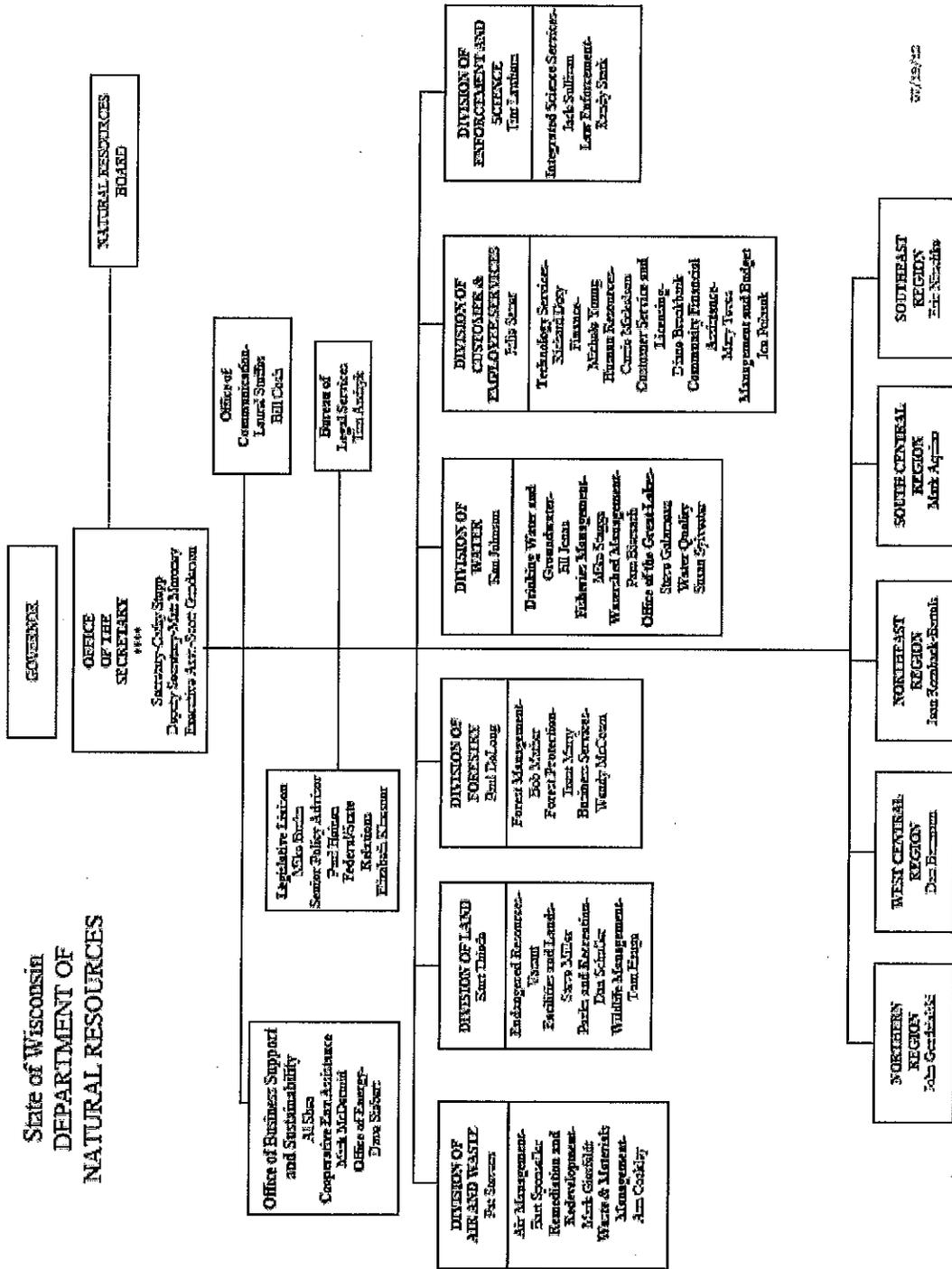
Program 8—Customer and Employee Services

- 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 Service & Licensing
- 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
2013-15 Biennial Budget Request
Table of Contents**

DEPARTMENTWIDE

3001-3010 Cost to Continue	1
3500 GPR Reduction Plan	2

LAND

Wildlife Management

5110 Crex Meadows Educator Match	3
--	---

Parks and Recreation& Southern Forests

5140 New Facilities Operations.....	4
5141 FTE to LTE Hours and Seasonal Workforce.....	7
5142 Parks Law Enforcement Vehicle Equipment—Master Lease Pymts. ...	9
5143 Psychological Testing and Background Checks	10
5144 Rainbow Springs Operational Costs.....	11

Endangered Resources

5151 DOT Liaison	12
------------------------	----

Facilities and Lands

5180 Master Planner.....	13
--------------------------	----

FORESTRY

5120 Forestry Radio Master Lease Payments.....	15
5121 Emergency Vehicle Fleet Operations Costs	16
5122 County Forest Grant Administration	18
5123 Public Safety Psychological Testing & Background Checks	19

AIR & WASTE

Air Management

5222 Sand Mine Monitoring	20
---------------------------------	----

ENFORCEMENT AND SCIENCE

Law Enforcement

5300 Mobile Data Communication & Warden Laptops—Master Lease 22
5301 Mileage Operations Support..... 23
5302 Environmental Enforcement Staffing 24

Science Services

5340 Remote Water Quality Sensing 25

WATER

Fisheries Management

5410 Maintaining Current Hatchery Operations..... 27

STATUTORY LANGUAGE PROPOSALS 28

OTHER ITEMS

Environmental Improvement Fund—Biennial Finance Plan 35
Capital Development 2013-15 Budget 36
Waste Management Plan..... 40

PROGRAM: DEPARTMENTWIDE

SUBPROGRAM: DEPARTMENTWIDE

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

Decision Item #	Title	FY 2014		FY 2015	
		\$	FTE	\$	FTE
3001	Turnover Reduction	(\$3,086,900)		(\$3,086,900)	
3002	Remove Non-Continuing Elements	(671,700)	(3.0)	(1,579,700)	(15.50)
3003	Full Funding Salary and Fringe	(5,859,000)		(5,859,000)	
3007	Overtime	3,287,600		3,287,600	
3010	Full Funding of Lease and Directed Moves	120,000		271,600	
TOTAL		(\$6,210,000)		(\$6,966,400)	(15.50)

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 Noncontinuing 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 Costs

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: 3500—GPR Reduction

GPR	<u>2013-14</u> \$(2,201,400)	<u>FTE</u> (6.10)	<u>2014-15</u> \$(2,201,400)	<u>FTE</u> (6.10)
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The Department's plan to allocate its annual GPR reduction target of \$2,201,400 is as follows:

Program	Subprogram	Annual \$	FTE
Land	Parks & Recreation	172,200	
Land	Endangered Resources	9,600	
Land	Facilities & Lands	5,200	
Air & Waste	Air Management	22,400	0.25
Air & Waste	Waste & Materials Management	19,900	0.25
Air & Waste	Remediation & Redevelopment	18,600	
Enforcement & Science	Law Enforcement	49,300	
Enforcement & Science	Science Services	60,300	0.60
Water	Watershed Management	252,200	2.00
Water	Water Quality	186,200	2.00
Water	Fisheries Management	13,400	
Water	Drinking Water & Groundwater	90,700	1.00
Environmental Aids	Water Quality Aids	509,100	
Environmental Aids	Environmental Planning Aids	31,000	
Debt Service and Development	Development	658,100	
Administration and Technology	Administration	7,000	
Administration and Technology	Finance	44,800	
Administration and Technology	Technology Services	23,000	
Administration and Technology	Human Resources	1,900	
Administration and Technology	Customer Service & Licensing	14,800	
Administration and Technology	Communication & Education	1,100	
Administration and Technology	Community Financial Assistance	5,500	
Administration and Technology	Program Management	5,100	
TOTAL		\$2,201,400	6.10

PROGRAM: LAND

SUBPROGRAM: WILDLIFE MANAGEMENT

DECISION ITEM: 5110—Crex Meadows Educator Match

	2013-14	FTE	2014-15	FTE
PR	(\$21,400)		(\$21,400)	
SEG	\$21,400		\$21,400	

The Department requests to transfer \$21,400 in annual spending authority from program revenue to Fish and Wildlife SEG for the purpose of funding the fringe benefits of a natural resources educator position at the Crex Meadows Wildlife Education and Visitors Center in Grantsburg, WI that was authorized in the 2011-13 biennial budget (#337234).

A cooperative agreement between the Friends of Crex and the Department, which received final approval on October 26, 2011, specifies that the Friends of Crex fund the salary costs of the position through its endowment fund, while the Department funds the fringe benefit costs.

PROGRAM: LAND DIVISION

SUBPROGRAM: PARKS AND SOUTHERN FORESTS

DECISION ITEM: 5140—New Facilities Operation Expenses

SEG	<u>2013-14</u> \$208,000	<u>FTE</u>	<u>2014-15</u> \$208,000	<u>FTE</u>
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The Department requests \$208,000 annually (\$187,000—Parks, \$21,000 So. Forests) for anticipated operations expenses associated with 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 facilities.

Background: Over the past seven biennial budget cycles, multiple new properties and facilities have been added to the Wisconsin State Parks System (WSPS) to meet the public demand and to comply with legislative initiatives. Also, several new facilities at multiple properties are either under development or are beginning construction and will be open either in the current biennium or in the first year of the upcoming biennium. These new facilities require the addition of basic services such as electricity, sewer and water, related fuel costs, cleaning and basic maintenance.

In FY 12, WSPS set records for camping revenue, and interest in camping in state parks is the highest it's ever been. However, system budgets are among the lowest in real terms in over 12 years as property managers cope with reduced funding through budget cuts and protracted hiring freezes as well as increases in fuel, utility and other operations expenses. By funding this initiative, Parks will be able to provide funding to operate new facilities and campgrounds, resulting in improved visitor services, timely maintenance of facilities, increased visitor and resource protection and enhanced revenue collections.

The \$208,000 request for Parks is itemized in the following tables:

PARK SEG REQUEST			
AMNICON FALLS STATE PARK	\$2,500	TOILET	VAULT
AMNICON FALLS STATE PARK	\$1,500	RECREATION	SHELTER
AZTALAN STATE PARK	\$2,500	TOILET	VAULT
BIG BAY STATE PARK	\$2,500	TOILET	VAULT
BIG BAY STATE PARK	\$3,000	SHOP	VEHICLE & EQUIPMENT MAINTENANCE
BIG FOOT BEACH STATE PARK	\$5,000	OFFICE	PEVS
BIG FOOT BEACH STATE PARK	\$2,500	TOILET	VAULT
BIG FOOT BEACH STATE PARK	\$2,500	TOILET	VAULT
BLUE MOUND STATE PARK	\$3,000	TOILET	TOILET/SHOWER
BLUE MOUND STATE PARK	\$2,500	TOILET	VAULT
BRUNET ISLAND STATE PARK	\$3,000	TOILET	TOILET/SHOWER
BUCKHORN STATE PARK	\$2,500	TOILET	VAULT
BUCKHORN STATE PARK	\$1,500	RECREATION	SHELTER
COPPER FALLS STATE PARK	\$2,500	TOILET	VAULT
COPPER FALLS STATE PARK	\$3,000	TOILET	TOILET/SHOWER
COUNCIL GROUNDS STATE PARK	\$1,500	RECREATION	SHELTER
COUNCIL GROUNDS STATE PARK	\$1,000	STORAGE	UNHEATED-GENERAL
DEVILS LAKE STATE PARK-IANSR	\$3,000	TOILET	SHOWER
DEVILS LAKE STATE PARK-IANSR	\$2,000	TOILET	FLUSH
DEVILS LAKE STATE PARK-IANSR	\$2,500	TOILET	VAULT

DEVILS LAKE STATE PARK-IANSR	\$1,000	STORAGE	UNHEATED-GENERAL
GLACIAL DRUMLIN STATE TRAIL	\$2,500	TOILET	VAULT
GOVERNOR DODGE STATE PARK	\$1,000	RECREATION	BATHHOUSE
GOVERNOR DODGE STATE PARK	\$3,000	TOILET	TOILET/SHOWER
GOVERNOR DODGE STATE PARK	\$1,500	RECREATION	SHELTER
GOVERNOR NELSON STATE PARK	\$2,000	OFFICE	PEVS
HARRINGTON BEACH STATE PARK	\$2,500	TOILET	VAULT
HARRINGTON BEACH STATE PARK	\$1,500	RECREATION	SHELTER
HARTMAN CREEK STATE PARK	\$2,500	TOILET	VAULT
HARTMAN CREEK STATE PARK	\$1,500	RECREATION	SHELTER
HIGH CLIFF STATE PARK	\$2,500	TOILET	VAULT
HIGH CLIFF STATE PARK	\$3,000	TOILET	TOILET/SHOWER
HIGH CLIFF STATE PARK	\$1,500	RECREATION	SHELTER
HOFFMAN HILLS RECREATION AREA	\$2,500	TOILET	VAULT
INTERSTATE PARK-IANSR	\$1,000	STORAGE	UNHEATED-GENERAL
INTERSTATE PARK-IANSR	\$1,500	RECREATION	SHELTER
JOHN MICHAEL KOHLER STATE PARK	\$2,500	TOILET	VAULT
JOHN MICHAEL KOHLER STATE PARK	\$1,500	RECREATION	SHELTER
JOHN MICHAEL KOHLER STATE PARK	\$5,000	OFFICE	PEVS
KINNICKINNIC STATE PARK	\$2,500	TOILET	VAULT
LAKE KEGONSA STATE PARK	\$3,000	SHOP	VEHICLE & EQUIPMENT MAINTENANCE
LAKE KEGONSA STATE PARK	\$2,500	TOILET	VAULT
LAKE WISSOTA STATE PARK	\$2,500	TOILET	VAULT
MERRICK STATE PARK	\$1,500	RECREATION	SHELTER
MERRICK STATE PARK	\$2,500	TOILET	VAULT
MILL BLUFF STATE PARK-IANSR	\$1,500	RECREATION	SHELTER
MILL BLUFF STATE PARK-IANSR	\$1,000	OFFICE	WORK SITE
MILL BLUFF STATE PARK-IANSR	\$2,500	TOILET	VAULT
MIRROR LAKE STATE PARK	\$5,000	OFFICE	PEVS
NATURAL BRIDGE STATE PARK	\$2,500	TOILET	VAULT
NELSON DEWEY STATE PARK	\$3,000	SHOP	VEHICLE & EQUIPMENT MAINTENANCE
NEW GLARUS WOODS STATE PARK	\$3,000	SHOP	EQUIPMENT
NEWPORT STATE PARK	\$2,500	TOILET	VAULT
NEWPORT STATE PARK	\$1,500	RECREATION	SHELTER
NEWPORT STATE PARK	\$1,000	STORAGE	UNHEATED-GENERAL
PATTISON STATE PARK	\$1,000	RECREATION	BATHHOUSE
PATTISON STATE PARK	\$2,500	TOILET	VAULT
PATTISON STATE PARK	\$1,500	RECREATION	SHELTER
PATTISON STATE PARK	\$2,000	STORAGE	HEATED-GENERAL
PENINSULA STATE PARK	\$1,000	STORAGE	UNHEATED-GENERAL
PENINSULA STATE PARK	\$1,500	RECREATION	SHELTER
PENINSULA STATE PARK	\$2,000	STORAGE	HEATED-GENERAL
PENINSULA STATE PARK	\$5,000	OFFICE	PEVS
PENINSULA STATE PARK	\$3,000	TOILET	FLUSH
PENINSULA STATE PARK	\$500	SPECIAL USE	AMPHITHEATER
PERROT STATE PARK	\$1,000	STORAGE	UNHEATED-GENERAL
POTAWATOMI STATE PARK	\$2,500	TOILET	VAULT
POTAWATOMI STATE PARK	\$2,000	STORAGE	HEATED-GENERAL
RED CEDAR STATE TRAIL	\$2,000	OFFICE	DEPOT
ROCK ISLAND STATE PARK	\$2,500	TOILET	VAULT

ROCK ISLAND STATE PARK	\$2,500	TOILET	VAULT
ROCK ISLAND STATE PARK	\$1,500	RECREATION	SHELTER
ROCKY ARBOR STATE PARK	\$3,000	TOILET	TOILET/SHOWER
ROCKY ARBOR STATE PARK	\$1,500	RECREATION	SHELTER
ROCKY ARBOR STATE PARK	\$2,500	TOILET	VAULT
TOWER HILL STATE PARK	\$2,500	TOILET	VAULT
WHITEFISH DUNES STATE PARK	\$1,500	RECREATION	SHELTER
WYALUSING STATE PARK	\$1,500	RECREATION	SHELTER
WYALUSING STATE PARK	\$7,000	RECREATION	LODGE
YELLOWSTONE LAKE STATE PARK	\$2,500	TOILET	VAULT
YELLOWSTONE LAKE STATE PARK	\$3,000	TOILET	SHOWER
TOTAL	\$187,000		

Forestry SEG Request			
POINT BEACH STATE FOREST	\$3,000	OFFICE	RANGER STATION
POINT BEACH STATE FOREST	\$1,500	RECREATION	SHELTER
RICHARD BONG RECREATION AREA	\$2,500	TOILET	VAULT
RICHARD BONG RECREATION AREA	\$1,500	RECREATION	BATHHOUSE
RICHARD BONG RECREATION AREA	\$3,000	SHOP	VEHICLE & EQUIPMENT MAINTENANCE
KETTLE MORaine STATE FOREST-NORTHERN UNIT-IANSR	\$2,500	TOILET	VAULT
KETTLE MORaine STATE FOREST-NORTHERN UNIT-IANSR	\$3,000	TOILET	TOILET/SHOWER
KETTLE MORaine STATE FOREST-NORTHERN UNIT-IANSR	\$1,500	RECREATION	SHELTER
KETTLE MORaine STATE FOREST-PIKE LAKE UNIT	\$1,000	OFFICE	WORK SITE
KETTLE MORaine STATE FOREST-PIKE LAKE UNIT	\$1,500	RECREATION	SHELTER
TOTAL	\$21,000		

PROGRAM: LAND DIVISION

SUBPROGRAM: PARKS AND SOUTHERN FORESTS

DECISION ITEM: 5141-Replacement LTE Hours at Multiple State Parks and Forests

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$250,000		\$250,000	

The Department requests \$250,000 annually (\$201,600 Parks SEG; \$48,400 Forestry SEG) to fund an estimated 20,500 LTE hours at multiple State Park and Southern Forest properties. The request is based upon an average hourly salary and fringe rate of \$12.16.

Over the previous four years, the Wisconsin State Park System (WSPS) has lost a total of 18.5 FTE positions through required budget reductions. This cut equates to an 8.5% reduction to the WSPS's total FTE complement and over 38,400 lost hours across some of the busiest work units in the system. The funding would mainly be used to supplement existing hours for Visitor Service Associates, Rangers and Laborers, but may also be used to hire new LTEs within those classifications. Funding would also help some properties provide LTE shifts for key holiday and mid-week needs.

Background: The WSPS serves about 14 million visitors each year with properties including state parks, recreation areas, trails, and southern state forests. Properties within the WSPS provide quality nature-based recreation and education opportunities while protecting some of the state's outstanding natural and cultural resources and generating hundreds of millions of dollars in revenue for local communities and Wisconsin residents.

WSPS has had the opportunity to recently expand its services in order to generate new users, better serve existing customers and increase revenues to the Parks Segregated Account. Some of the most noteworthy additions are as follows:

- Opened a new 80 unit campground, with toilet/shower building, at Willow River State Park
- Poised to open a 50 unit campground, with another 50 units as a phase 2 launch, at Gov. Thompson State Park.
- Opened a new 30 unit campground at Lake Wissota State Park.
- Recently opened a 30 unit campground at Kohler-Andrae State Park.
- Added a 50 unit campground at Harrington Beach State Park, a property without camping previous to this addition.
- Peninsula State Park is in the process of upgrading 103 existing electrified campsites to 50 amp service and adding 50 amp electrical service to 62 existing, non-electrified campsites. In addition, the Nicolet Bay Toilet shower building was recently replaced.
- The Kettle Moraine State Forest – Northern Unit recently added 10 campsites and additional amenities to the Horse Riders Campground to better serve customers.
- The Kettle Moraine State Forest – Southern Unit remodeled the Hausman House, which will provide educational and interpretive facilities for Milwaukee Metropolitan schoolchildren.

The ability to bring on additional LTE's, as well as fund additional hours of work for existing LTE's would alleviate the ongoing workload issues in the work units and teams that lost a total of 18.5 FTE positions and also provide staffing to coincide with the aforementioned expansion of services. The projected distribution of funding and LTE hours is summarized in the following table:

PARKS PROPERTY	LTE Salary + Fringe	HOURS
Amnicon Falls State Park	\$1,800	149
Big Bay State Park	\$2,400	199
Big Foot Beach State Park	\$3,500	291
Blue Mound State Park	\$4,600	383
Brunet Island State Park	\$1,400	116
Buckhorn State Park	\$1,900	158
Copper Falls State Park	\$1,700	141
Devil's Lake State Park	\$5,900	491
Glacial Drumlin -West State Trail	\$6,500	541
Gov. Dodge State Park	\$10,400	865
Gov. Nelson State Park	\$7,000	582
Gov. Thompson State Park	\$6,000	499
Harrington Beach State Park	\$16,000	1,332
Hartman Creek State Park	\$900	74
High Cliff State Park	\$7,000	582
Kinnickinnic State Park	\$3,600	299
Kohler Andrae State Park	\$3,400	283
Lake Kegonsa State Park	\$6,500	541
Lake Wissota State Park	\$1,300	108
Merrick State Park	\$4,300	358
Mirror Lake State Park	\$6,800	566
Nelson Dewey State Park	\$700	58
Newport State Park	\$4,100	341
Pattison State Park	\$2,800	233
Peninsula State Park	\$29,700	2,472
Perrot State Park	\$9,300	774
Potawatomi State Park	\$2,700	224
Roche-A-Cri State Park	\$2,300	191
Rock Island State Park	\$2,700	224
Whitefish Dunes State Park	\$2,600	216
Wildcat Mt. State Park	\$3,000	249
Willow River State Park	\$14,600	1,215
Wyalusing State Park	\$14,500	1,207
Yellowstone Lake State Park	\$9,700	807
PARKS TOTAL ALLOTTED:	\$201,600	16,769

SOUTHERN FOREST PROPERTY	LTE Salary + Fringe	HOURS
Richard Bong Recreation Area	\$12,300	961
Havenwoods State Forest	\$13,100	1,024
Kettle Moraine S.F. -Northern Unit	\$9,600	750
Kettle Moraine S.F. - Southern Unit	\$13,400	1,047
SOUTHERN FOREST TOTAL ALLOTTED:	\$48,400	3,782

PROGRAM: LAND DIVISION

SUBPROGRAM: PARKS AND SOUTHERN FORESTS

DECISION ITEM: 5142—Parks Law Enforcement Vehicle Equipment – Master Lease

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$66,200		\$66,200	

The Department requests \$66,200 annually in one-time funding (\$51,300 Parks SEG & \$14,900 Forestry SEG) to support the third and fourth year payments of a four year master lease for the purchase of 99 P25 compliant mobile radios and 37 mobile data computer units (MDCs) for Parks staff. One time funding of \$102,500 annually for the first and second year lease payments was approved in the 2011-13 biennial budget. There will be one additional payment remaining in FY 2016 to complete the obligations of the lease.

The radios were purchased by the Parks program in order to be compliant with Federal Communications Commission (FCC) mandates and federal Homeland Security Administration directives and standards. The FCC has mandated that all VHF radio communications move to narrow band effective January 1, 2013, what is otherwise referred to as the "P25 Standard". The MDCs were purchased to replace units that reached or exceeded their useful life.

PROGRAM: LAND DIVISION

SUBPROGRAM: PARKS AND SOUTHERN FORESTS

DECISION ITEM: 5143—Public Safety Psychological Testing and Background Checks

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$25,000		\$25,000	

The Department requests \$25,000 annually (\$17,500 Parks SEG; \$7,500 Forestry SEG) to fund pre-employment psychological testing for candidates for permanent and LTE law enforcement positions. The Wisconsin State Parks System (WSPS) has a total of 130 FTE and 120 LTE positions with law enforcement credentials, and approximately 40 of those positions are filled each year. This request is for approximately 40 screenings, which includes a criminal background check and a psychological profile, at a cost of \$500 per assessment. In addition, this request includes funding for travel reimbursements, fleet, and other travel costs associated with the need for candidates to travel to the testing locations. Psychological testing is becoming a standard practice nationwide for law enforcement agencies.

PROGRAM: LAND DIVISION

SUBPROGRAM: SOUTHERN FORESTS

DECISION ITEM: 5144—New Property Operations and increased use needs at Southern Units

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$25,000		\$25,000	

The Department requests \$20,000 annually in Forestry SEG funding to address LTE staffing needs within the Kettle Moraine Southern Forest-Southern Unit and Lapham Peaks Unit, and an additional \$5,000 annually for related supplies needs, for a total annual request of \$25,000. Approximately 80% of the LTE funding would be used to supplement existing work for LTE Rangers on these properties, while approximately 20% would be used to supplement work for Laborers.

Assuming an average salary and fringe rate of \$13.10/hr., the funding would provide approximately 1,500 hours of LTE effort at these properties. No additional staff or LTE hours were provided when Rainbow Springs was acquired in 2008 and Lapham Peak is experiencing heavier visitation as a result of skiing opportunities. Due to the usage patterns of these two units, LTE hours will be used at Rainbow Springs during the spring, summer, and fall months and Lapham Peak during the winter.

PROGRAM: LAND DIVISION

SUBPROGRAM: Endangered Resources

DECISION ITEM: 5151 – DOT Liaison

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
ER SEG	\$(67,200)	-1.0	\$(67,200)	-1.0
PR	\$67,200	1.0	\$67,200	1.0

The Department requests to convert a vacant, conservation biologist-advanced position (#28539) from ER SEG [s. 20.370 (1)(fs)] to program revenue funding [s. 20.370 (1)(mk)]. The position would function as a liaison to the Wisconsin Department of Transportation (DOT).

Background: DOT is required to comply with Wisconsin's endangered species and incidental take laws (Wis. Stats. 29.604). The ER liaison position provides support to DOT through analyzing impacts to rare species resulting from DOT projects and by providing avoidance and minimization options that allow the projects to move forward in a timely and efficient manner.

Historically, DOT has met this requirement through funding a contract liaison position in the Bureau of Endangered Resources (ER). Through this request, the Department seeks to change the position from contract to permanent status. Under the current contractual arrangement, the Department has no control over the individual that the contractor selects for the position, which has proven to present challenges in establishing relationships with DOT and Department staff. Therefore, while the switch from a contract to a permanent position is anticipated to be cost neutral, the intent is to ensure greater stability in staffing and expertise.

DOT and the Department have a cooperative agreement which includes funding for positions that provide liaison services to DOT. Within ER, the DOT Liaison position is a contractor, which has been fully funded by DOT for the last 15 years; therefore, funding for this position is stable and ongoing.

PROGRAM: LAND DIVISION

SUBPROGRAM: FACILITIES AND LANDS

DECISION ITEM: 5180--Master Planning Position

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$55,600	1.0	\$72,500	1.0

The Department requests Conservation SEG funding of \$55,600 in FY 2014 and \$72,500 in FY 2015 for a Program Policy Analyst-Advanced position to develop master plans focusing on properties administered by the Bureau of Parks (state parks, state trails, southern state forests, fishing areas, state natural areas and state recreational areas). Utilization of Conservation SEG funding will provide the flexibility for this position to work on all property types if workload needs shift.

Background:The Department manages about 1.6 million acres of land on nearly 1,100 properties. Of these, approximately 317 properties require master plans that are compliant with administrative code NR 44. One FTE planner can successfully lead 1-3 planning projects (in different stages of development) simultaneously in an expeditious fashion. The number varies depending on the size and complexity of the project, the number of properties being planned together, and the availability of support resources (LTE associate planners). The active plan development phase (from the initial public meaning to production of a final draft plan) takes approximately 16 months.

A well-crafted master plan takes time and money, but saves considerably more in the long run. It also enables a positively engaged and supportive citizenry, a clear direction for staff, and a clear explanation of how the property will be managed for the public's benefit. The product is designed to be useful for the property manager, administrators, and the public alike, and is designed to last for 15 years or more. Even with continued efforts at improvements and the recent increase in staff that has been directed towards master planning, the planning needs timetable committed to for Forest Certification, the Natural Resources Board and DNR administration cannot adequately be addressed. The addition of 1 FTE planner would provide the staff resources needed to make the workload achievable.

In 2009, the Department committed to a schedule for addressing the master planning backlog as a requirement for maintaining DNR's 3rd party Forest Certification.¹ This commitment consisted of developing a 15 year schedule for completion of all 317 Tier 1 and Tier 2 property plans by 2024. Currently, staff have completed plans for 72 properties that are NR44-compliant and 10 projects are underway covering 45 properties, leaving 200 properties that remain in need of plans. The schedule is criteria-based so that properties with the greatest need for planning are done first to ensure that sufficient local staff resources are available to get the plan done.

Property master planning is now both an Agency priority. This is not only because of Forest Certification requirements, but also due to increased recognition of the benefits of having properties comprehensively evaluated to assess current conditions and plan for future resource and public use needs. Property planning offers the opportunity to look at ways of increasing revenues, reducing costs, improving customer service, and economically benefiting local communities. Up-to-date master plans are also critical for the implementation of Act 166, the Sustainable Forestry Law, as timber management must be consistent with the property's goals and objectives.

¹Wisconsin's forest products companies' are dependent on sustainably certified wood to stay competitive in a global market place and remain in Wisconsin. Returns in the form of timber sale proceeds to the state are estimated at approximately \$7 million annually, providing jobs locally and statewide in the forest products and manufacturing industries, a \$20 billion industry.

Staffing Needs: Master planning is in the Bureau of Facilities and Lands (FL)², which has been building a small, production master planning “shop” designed to provide planning services uniformly and build efficiencies across the entire Department. Currently FL has 3.0 FTE planning leads for a variety of property types including state wildlife areas, fishery areas, parks, and natural areas. Two of the three FTE positions were recently added in order to increase planning capacity. One of those added positions is a federally funded (Sports Fish Restoration/Pittman-Robertson) fish and wildlife property planning position authorized in 2010. The other recently filled FTE planning position was obtained through an internal reallocation of a Conservation SEG position from within the FL Bureau. A fourth Planning FTE is currently authorized for recruitment. This position is also an internal reallocation from within the FL Bureau (both of these reallocations utilized vacant Landscape Architect positions). Further reallocation within FL is not feasible as the current positions are needed to support the other high priority engineering, real estate and land management responsibilities of the program.

² FL is a service bureau to all the land holding programs providing real estate, engineering, capital development, and planning services.

PROGRAM: LAND

SUBPROGRAM: FORESTRY

DECISION ITEM: 5120—Radio Master Lease Payments 5 and 6

	2013-14	FTE	2014-15	FTE
SEG	\$213,500		\$213,500	

The Department requests \$213,500 annually in one-time, Forestry Account funding to support the fifth year payment and a partial sixth year payment of a six year master lease for the purchase of 232 mobile radios, 209 portable radios, and 11 aircraft radios by the Division of Forestry. The radios were purchased in order to be compliant with Federal Communications Commission mandates and federal Homeland Security Administration directives and standards. One time annual funding of \$214,000 was approved in the 2011-13 budget for years three and four of the Radio Master Lease. An additional partial year payment will be required in Fiscal Year 2016 to complete the obligations of the lease.

The radios were purchased in order to be compliant with Federal Communications Commission (FCC) mandates and federal Homeland Security Administration directives and standards. The FCC has mandated that all VHF radio communications move to narrow band effective January 1, 2013, what is otherwise referred to as the "P25 Standard".

Details of the original radio purchase are included in the following table.

Forestry Personnel & Equipment	# of Radio units	P25 Mobile Radio Cost (\$1,840/radio)	P25 Portable Radio Cost (\$1,940/radio)	Trunking Option Added to All Radios (\$600/radio)	Aircraft Specific P25 Radios (\$19,676/radio)	Total
Type 4 Heavy Units	80	\$147,200		\$48,000		\$195,200
Muskeg Units	3	\$5,520		\$1,800		\$7,320
Type 7 Ranger Units	58	\$106,720		\$34,800		\$141,520
Type 7 Reserve Units	4	\$7,360		\$2,400		\$9,760
Pickups w/slide-ons	16	\$29,440		\$9,600		\$39,040
Regional Leaders	8	\$7,360	\$7,760	\$4,800		\$19,920
Area Leaders & Yukons	22	\$20,240	\$21,340	\$13,200		\$54,780
Fire Specialist/Mgt.	14	\$12,880	\$13,580	\$8,400		\$34,860
Staff Specialists/Supervisors	20	\$18,400	\$19,400	\$12,000		\$49,800
Team Leaders	38	\$34,960	\$36,860	\$22,800		\$94,620
Forestry LE	40	\$36,800	\$38,800	\$24,000		\$99,600
Forester Rangers	58		\$112,520	\$34,800		\$147,320
Forest Technicians	80		\$155,200	\$48,000		\$203,200
Aviation Specific	11				\$216,436	\$216,436
Total	452	\$426,880	\$405,460	\$264,600	\$216,436	\$1,313,376

PROGRAM: LAND

SUBPROGRAM: FORESTRY

DECISION ITEM: 5121 – Emergency Vehicle Fleet Cost

	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
SEG	\$ 153,000		\$ 153,000	

The Department requests \$153,000 annually in Forestry SEG funding to meet the operational fleet costs for the forest fire management and Forestry law enforcement programs obligations for public health and safety. This amount represents the Division of Forestry's current mileage cost deficit less recent appropriation increases. This request would fulfill funding needs of the program at FY 12 rates, and excludes costs associated with personal miles driven for work purposes.

Background: Significant increases, outlined in the table below, in the per mile or per hour charge for vehicles and equipment over the last several fiscal years have made it difficult to perform the mission of the Division of Forestry with existing budget allocations at mandated performance levels or to meet Wisconsin citizen expectations.

Fleet rate increases for fire engines and law enforcement vehicles were greater than in other fleet categories. Subsequently, the forest fire management and Forestry law enforcement programs are short of operational funds for fleet expenses to protect the public and resource from forest fires and meet citizen protection expectations on the state forests. Previous Department wide fleet cost increases in the 07-09 biennium and 09-11 biennium did not meet the overall needs of the forest fire management and law enforcement program needs.

EQUIPMENT TYPE	Number	Hrs or Miles/yr.	2007	2008	2009	2010	2011	2012	Cost Increase since 2007	Operation Cost Increases	Cost of Operations in FY 12
Command Vehicles	14	12,000	\$0.41	\$0.41	\$0.68	\$0.72	\$0.62	\$0.61	\$0.20	\$33,600	\$102,480
Type 8 Engines and LE Vehicles	75	12,000	\$0.46	\$0.48	\$0.68	\$0.60	\$0.61	\$0.61	\$0.15	\$135,000	\$549,000
Type 6 Engines	53	10,000	\$0.40	\$0.42	\$0.67	\$0.72	\$0.68	\$0.68	\$0.28	\$148,400	\$360,400
Type 4 Engines	80	2500	\$0.89	\$0.92	\$1.61	\$1.51	\$1.43	\$1.43	\$0.54	\$108,000	\$286,000
Dozers/Low Ground Units	82	75	\$22.00	\$22.00	\$28.00	\$25.00	\$26.00	\$26.00	\$4.00	\$ 24,600	\$159,900
Trailers	82	Monthly	\$30.00	\$38.00	\$104.00	\$40.00	\$35.00	\$35.00	\$5.00	\$ 4,920	\$34,400
TOTAL	386									\$454,520	\$1,492,180

The 2007-09 and 2009-11 biennial budgets provided some funding to the Division of Forestry to offset fleet program cost increases. Unfortunately, these allocations have not been sufficient for the Division to keep up with rate increases. Recent budget increases for the Division of Forestry fleet were \$195,400 in 2007-09 biennium and \$63,600 in the 2009-11 biennium, for a total increase of \$259,000. Fire and law enforcement vehicles make up 73% of Forestry's fleet of 537 fleet vehicles and this is after a reduction in equipment to reflect the Division's Strategic Direction (4 type 4 engines; 4 tractor plows; 2 low ground units; 4 trailers; 7 type 6 engines). Despite the vehicle and equipment strategic reduction efforts and previous budgetary increases, there is still a structural deficit within the Division's forest fire and law enforcement programs of \$153,100 in fleet operational cost increases comparing FY 07 to FY 12.

\$1,037,700	2007 Base funding
\$ 195,400	07-09 Department-wide fleet Increase
\$ 63,600	09-11 Forestry Fleet Increase
\$1,296,700	2012 Base funding
\$1,492,180	2012 Operational Costs
(\$42,475)	Less 2012 savings from strategic direction equipment reduction
\$1,449,705	Revised Operational Costs
(\$153,005)	2012 Structural Deficit (Base Funding Less Operational Costs)

On-going additional funding will better position the Division of Forestry to fulfill its forest protection mission. Annually the department responds to ~1500 forest fires. Without an increase in fleet operational funding our ability to pre-position fire control units is reduced and response times are increased, which can result in potentially larger forest fires and increased losses associated with the forest fires.

PROGRAM: LAND

SUBPROGRAM: FORESTRY

DECISION ITEM: 5122—County Forest Grants

SEG	<u>2013-14</u>	<u>FTE</u>	<u>2014-15</u>	<u>FTE</u>
	\$48,000		\$48,000	

The Department requests \$48,000 annually in Forestry SEG funding for the county forest grant program [appropriation s. 20.370(5)(bw)] to allow counties greater flexibility in making forest management decisions.

Background: Since 1928, DNR has partnered with Counties in the management of the State's County Forest program. Counties have responsibility to manage their forests through their County Boards / County Forestry Committees. The day-to-day management is completed by professional level forestry staff employed by the County, with assistance from DNR. This assistance and oversight by DNR is provided through labor and a combination of grants and loans. A reasonable amount of labor is determined for each county forest through a "time standards" agreement. DNR provides approximately 27 Forestry FTE annually. Presently, 29 counties have land entered under the County Forest Program.

In 2011-12, the Department met with individual counties and the Wisconsin County Forests Association (WCFA) on several occasions to determine how best to implement the Division of Forestry's Strategic Direction, including a new initiative that would provide some increased flexibility for counties to select amongst the suite of time, grants, and loans available. The result is the County Forest Time Standards Grant that gives counties the flexibility to customize their grant and DNR assistance to their advantage. DNR will retain a core level of assistance in all counties to provide the required statutory oversight of the program, in addition to performing its duties as the Group Certification manager for the County Forest program. The remaining DNR labor hours would be available for a county to exchange for grant funding under the County Forest Time Standards grant. The belief that some of the forestry tasks can be done adequately using contracted or lesser paid staff, the end result being the ability to get more work done with the same amount of resources. The DNR Foresters' work that would no longer be required in some county forests would be diverted to other priority projects.

PROGRAM: LAND

SUBPROGRAM: FORESTRY

DECISION ITEM: 5123 Psychological Testing and Background Checks for Law Enforcement Candidates

SEG	<u>2013-14</u> \$20,000	<u>FTE</u>	<u>2014-15</u> \$20,000	<u>FTE</u>
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The Department requests \$20,000 annually in on-going Forestry Account funding to provide for background checks and psychological testing of law enforcement candidates. Forestry has a total of 24 FTE and 15 LTE positions with law enforcement credentials, and approximately five of those positions are filled each year. This funding request would allow screening for eight candidates per position, which includes a criminal background check and a psychological profile at a cost of \$500 per assessment (\$500 x 8 candidates/position x 5 positions). Increased scrutiny of law enforcement candidates is becoming more critical; therefore, the Department is moving towards a mandated approach for psychological background testing of all candidates, which is becoming the national standard for all law enforcement agencies.

PROGRAM: AIR & WASTE

SUBPROGRAM: AIR MANAGEMENT

Decision Item: 5222-Sand Mine Monitoring

	2013-2014	FTE	2014-2015	FTE
FED	-\$223,400	-2.0	-\$223,400	-2.0
SEG	\$223,400	2.0	\$223,400	2.0

The Department requests conversion of 2.0 FTE (positions 310931 and 317816) from federal funding to Environmental SEG funding to increase compliance and monitoring of the sand mine industry.

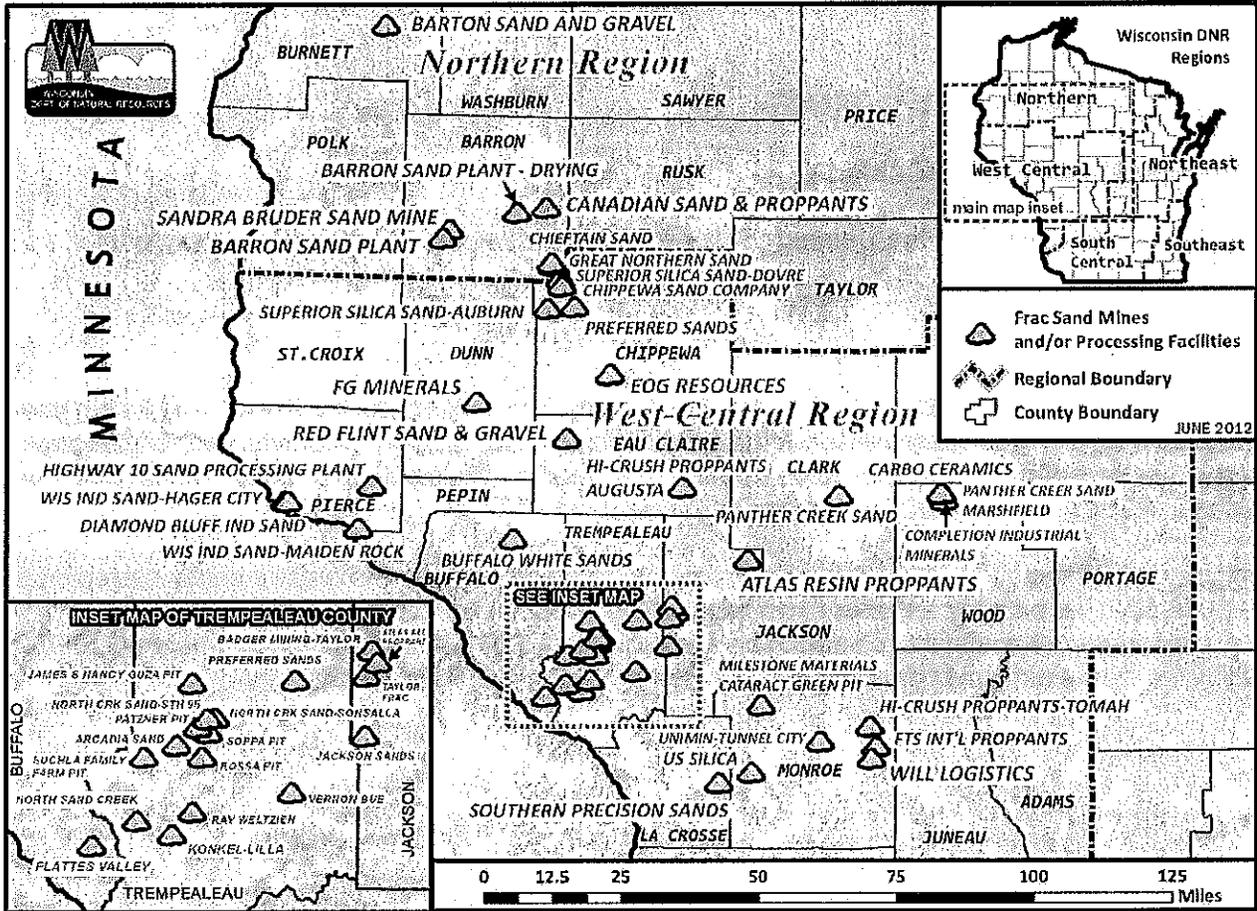
Background: The rapid increase and expansion of sand mining and processing operations in Wisconsin has created a significant, new workload in a compressed amount of time without additional revenue (see map below for distribution of sites). While public concern has been expressed over the potential health and environmental impacts resulting from air emissions of sand mining and processing operations, the Department's Air Management program has insufficient funding and resources to provide complete air pollution control operation permit issuance, compliance assistance and assurance for the sand mining industry.

A citizens group petitioned the Department in December 2011 to promulgate state-specific air quality standards for respirable crystalline silica since no federal standard exists for this pollutant. Further, the Wisconsin Association of Local Health Departments and Boards (WAHL DAB) recently sent a letter to the Department and the Department of Health Services (WDHS) requesting the agencies to undertake four health risk assessments, develop air monitoring methodologies, conduct air monitoring studies for crystalline silica and depending on the results, regulate as an air toxic.

To date, a total of 54 active sources have been identified related to the "frac sand" industry (i.e. mining and/or processing). The workload associated with these 54 active sites will require a total of 10.2 FTE effort. However, the Department is currently requesting a total of 2.0 FTE to address immediate environmental and business needs.

	Hours	Staff FTE	Mgr FTE	Total FTE
Permitting	7,420	4.1	0.3	4.4
Compliance	5,994	3.3	0.3	3.5
Monitoring	799	0.4	0.1	0.5
Total	17,226	9.5	0.7	10.2

**Location of Frac Sand Mines and/or Processing Facilities
in Northern and West Central Region**



PROGRAM: ENFORCEMENT & SCIENCE

SUBPROGRAM: LAW ENFORCEMENT

Decision Item: 5300-Mobile Data Communications & Warden Laptops; Master Lease Payments

	<u>2013-2014</u>	<u>FTE</u>	<u>2014-2015</u>	<u>FTE</u>
Various SEG	\$226,600		\$226,600	

The Department requests \$226,600 SEG in each year of the biennium to fund the third and fourth year installments of a four year master lease for the replacement of 200 laptop computers for Conservation Wardens. By comparison, funding of \$265,000 annually for the first and second year installments was authorized in 2011 Act 32, the 2011-13 biennial budget.

Background: Beginning in FY 2014, the principal balance remaining on the master lease is projected to be \$421,093.52. This balance equates to an estimated principal cost of \$210,546.76 annually. In addition, total interest costs are expected to be approximately \$32,048.66, or approximately \$16,000 annually, for a total estimated principal and interest payment of \$226,600/year.

PROGRAM: ENFORCEMENT & SCIENCE

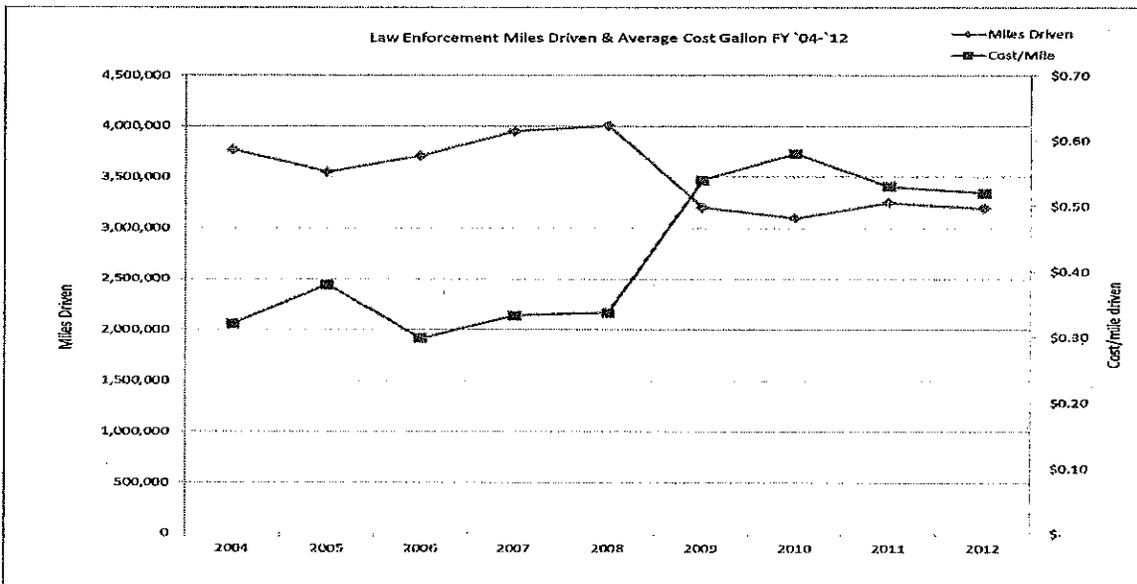
SUBPROGRAM: LAW ENFORCEMENT

Decision Item: 5301- Law Enforcement Operations and Miles

SEG	<u>2013-2014</u>	<u>FTE</u>	<u>2014-2015</u>	<u>FTE</u>
	\$100,000		\$100,000	

The Department requests \$100,000 annually to cover costs associated with mileage rate increases for the Bureau of Law Enforcement (BLE).

Background: Since 2004, BLE has experienced an increase in the cost per mile, which has impacted its ability to deliver services efficiently and effectively. As detailed in the graph below, the cost per mile has increased ~62% (i.e. \$0.32/mile versus \$0.52/mile, respectively), while at the same time the total miles driven has decreased by ~17%.



BLE anticipates the cost per mile to increase to \$0.60 in the next biennium. If its mileage budget remains unchanged at \$1.7 million annually, it will support approximately 2.8 million miles per year for staff, which is less than the 3 million mile threshold that is needed to maintain its field presence and level of services. An additional \$100,000/yr. will fund approximately \$167,000 additional miles, which will boost total miles to a level that is at or near the 3 million threshold.

PROGRAM: ENFORCEMENT & SCIENCE

SUBPROGRAM: LAW ENFORCEMENT

Decision Item: 5302- Environmental Enforcement Staffing

	<u>2013-2014</u>	<u>FTE</u>	<u>2014-2015</u>	<u>FTE</u>
SEG	\$127,300	2.0	\$163,800	2.0

The Department requests 2.0 FTE and Environmental SEG funding of \$127,300 in FY 2014 and \$163,800 in FY 2015 to create two positions within the Environmental Enforcement program: one Environmental Warden and one Environmental Enforcement Specialist.

The Department current has 21.5 FTE of environmental enforcement staff deployed around the state. Environmental Wardens investigate potential willful or negligent violations for potential criminal prosecution, while environmental enforcement specialists address civil violations. In addition to their enforcement case work, environmental enforcement staff also develops and provides training to environmental program staff and conservations wardens, help develop and implement proactive efforts to prevent violations from occurring and provide compliance, enforcement and proactive problem solving support to emerging trends or new issues. The additional staff requested will help ensure that Environmental Enforcement provides timely, effective and efficient services as environmental protection staff vacancies are filled.

Background: Recent changes in enforcement procedures requires (e.g. Drinking Water, Water, Air, Remediation and Waste & Materials Management) additional law enforcement staff resources to meet demands for timely enforcement services as well as training and outreach efforts that proactively address emerging environmental compliance issues, such as silica sand mining, land disposal, invasive species and groundwater protection.

The number of Department enforcement actions since FY 2009 has decreased, which is in part attributable to cumulative enforcement staff vacancies from 2007 through 2011, peaking at nearly 30% in FY 2012. During this same time period, Environmental Enforcement staff also developed and provided training to environmental program staff and conservations wardens, assisted with the development and implementation of proactive efforts to prevent violations from occurring and provides compliance and coordinated enforcement and problem solving support to emerging trends or new issues.

As a result of new procedures, Enforcement staff are operating under tighter response timelines and meeting personally with more businesses and individuals in an effort to gain compliance more quickly; resulting in greater protection of public health and the environment and providing a level playing field for the many businesses that operate in compliance with the law.

These procedural changes have triggered the need for additional staff.

Early intervention efforts are the most effective at achieving a voluntary return to compliance, minimizing the risk for significant threats to health or the environment and reducing costs for all involved. The two positions requested will assist existing Environmental Enforcement staff in those efforts.

PROGRAM: ENFORCEMENT & SCIENCE

SUBPROGRAM: SCIENCE SERVICES

Decision Item: 5340- Remote Water Quality Sensing

	<u>2013-2014</u>	<u>FTE</u>	<u>2014-2015</u>	<u>FTE</u>
SEG	\$85,000	1.0 project	\$85,000	1.0 project

The Department requests Water Resources SEG funding of \$85,000 annually to fund a remote water quality sensing 4-year project position in the Bureau of Science Services.

Background: The requested funding and position will support full development of a remote sensing program to measure lake water quality, in-lake vegetation, and riparian development. Development of such program will provide snapshot measures in hundreds of lakes at a time. With 15,000 lakes in the state, field sampling of even a small fraction of these lakes can be extremely costly and time consuming. Whereas current lake monitoring efforts are limited to a small percentage of the total number of Wisconsin lakes, remote sensing tools will give the agency information on over 8,000 lakes annually.

Remote sensing, particularly the use of satellites, is a cost-effective method for a variety of environmental monitoring applications. One of the most important advantages remote sensing has over conventional monitoring is cost savings. In 2006, water clarity of Wisconsin lakes was measured via satellite remote sensing. The unit cost (labor and image acquisition/ # lakes) was approximately \$1.06/lake. Even if the Department had the resources to sample the same number of lakes in mid-summer, it would require 13 field crews. The cost would be approximate \$19/lake (total cost of \$150,000) or 18 times the cost of using the remote sensing method. Not only does remote sensing provide a more cost-effective approach, but also provides a greatly expanded database of information.

Wisconsin is not the only state moving in this direction. Other state, national and international monitoring programs are all investing in remote sensing as a future monitoring and management tool. In fact, NASA has increasingly recognized the value of remote sensing as an effective tool for water resource management. The new Landsat 8 satellite (DNR currently uses Landsat 5 and 7), scheduled to be launched in Feb. 2013, will have improved capabilities for water quality measurements. A major responsibility of this new position will be to initiate new model development including field calibration/ verification of this new Landsat sensor for Wisconsin lakes.

This budget request includes start-up and annual support costs for the project position, which include computer hardware and software, field activities (travel, lab costs and equipment) and review and consultation meetings with NASA scientists. An itemized breakdown of those support costs is provided in the table below:

Supply Item	Description	Year 1 \$	Year 2 \$
Z620 Workstation:	Desktop computer with a high-end processor for doing high capacity image processing	\$ 2,247	
2- 23" Monitors:	Desktop monitors to support image processing & interpretation of data	\$ 390	
ArcInfo:	Standard Geographical Information System (GIS) software used throughout the industry	\$ 9,000	\$ 1,770
3D Analyst Extension:	An add-on to Arc Info, a tool used for visualization, analysis, and surface generation. Using ArcGIS 3D Analyst, enables the user to view large sets of data in three dimensions from multiple viewpoints	\$ 2,250	

Network Analyst	Supplies & services to support staff efforts	\$ 2,250	
Spatial Analyst	Supplies & services to support staff efforts	\$ 2,250	
Travel (In-state and national)	Supplies & services to support staff efforts	\$ 1,500	\$ 3,000
WetLab Backscattering probe (cost to be spread over 2 years)	A probe that will measure the light scattering characteristics of the water.	\$ 10,313	\$ 12,230
Lab costs	Sample & Data analysis	\$ 4,800	
Total		\$ 35,000	\$ 17,000

Remote sensing is a powerful environmental monitoring tool that uses satellite data to provide information on natural resources in a rapid and cost effective manner. The outcome of this effort will provide a long-term cost effective method to collect water quality data and other lake specific information needed for lake management activities including: meeting EPA reporting requirements, implementation of the Clean Water Act, track changes in the "health" of Wisconsin lakes over time and relate changes to a suite of potential perturbations including changes in land use and introductions of aquatic invasive species, information for the interested individual lakeshore property owner; Department nutrient standard development; "state of the lakes" reporting; and assisting in many other of Water Division goals and objectives.

Environmental monitoring is important for the protection of the state's resources. The ability to adequately monitor the land and water resources is becoming increasingly difficult due to recent budgetary constraints, such as field staff cuts and reductions of sample analysis funds. This problem has further been exacerbated by recent sharp increases in fuel and transportation costs. Consequently, the Department is continually searching for more effective and efficient methods to conduct monitoring of the aquatic and terrestrial ecosystems.

PROGRAM: WATER

SUBPROGRAM: FISHERIES MANAGEMENT

DECISION ITEM: 5410--MAINTAINING CURRENT HATCHERY OPERATIONS

	<u>2013-14</u>	<u>FTE</u>		<u>2014-15</u>	<u>FTE</u>
CON SEG	\$85,500			\$135,200	

The Department requests a supplies line increase of \$85,500 in FY 2014 and \$135,200 in FY 2015 in Fish and Wildlife SEG funding to compensate for increased distribution, utilities, fish food, and other productions costs at its hatcheries. The cost of these items has been increasing by an additional \$50,000 each year for the last five years.

	Fish Materials & Supplies	Utilities	Non-Office Supplies	Maintenance & Repairs	Building Maintenance & Operations	Other Production Costs	LTE Production Costs	Total	Difference from 2011 base costs
2011 base costs	512,900	408,400	134,900	141,800	83,500	318,900	224,800	1,825,200	
2013-projected costs	528,600	394,500	183,700	141,000	84,700	363,100	215,100	1,910,700	\$85,500
2014-projected costs	546,700	409,000	193,900	145,900	86,700	363,100	215,100	1,960,400	\$49,700

Background: Over time, hatchery costs have increased while budgets have remained flat or slightly decreasing. Three hatcheries have been closed and corresponding adjustments to fish production have been made to keep total costs within the available funding. Without a budget increase to cover increasing distribution, utility and fish food costs, further reductions in fish production and stocking may be needed. Stocking fish is an integral tool used by the Fisheries program to maintain the sport fishing industry which annually generates an estimated \$2.75 billion in total economic activity.

**DEPARTMENT OF NATURAL RESOURCES
2013-15 Statutory Language Proposals**

A. LAND DIVISION

Wildlife Management

Elk Reintroduction

The Department requests statutory authority to import, move and introduce elk into Ashland, Bayfield, Jackson, Price, or Sawyer Counties. The Department would determine that the applicable requirements related to chronic wasting disease under s. 95.20 and 95.55(6) are met to the fullest extent possible and practical with wild elk. This authority would only be for elk that are taken from the wild and only for department sponsored conservation and wildlife restoration projects.

Wild elk restoration using animals from other healthy herd sources has been recommended for Wisconsin's elk management program. Restoration requires moving elk in from sources outside this state. Current restrictions on the import and export of cervid species were established following the 2002 discovery of chronic wasting disease in wild deer in Wisconsin. Since then, elk restoration in Black River Falls and supplementing the current Clam Lake elk herd in NW Wisconsin has been on hold. This proposal would allow elk restoration projects to resume while still requiring the use of elk from healthy herds. Most health certification requirements would still need to be met.

Facilities and Lands

Changes To State Share Of Payment In Lieu Of Taxes (PILT)

The Department requests statutory changes that will make the annual Payment in Lieu of Taxes (PILT) process, as defined under s. 70.114, more efficient and cost effective to administer. There are two parts to this request, which may be acted upon independent of one another. Both changes will make the PILT process more efficient and more cost efficient. There would be savings to the State while continuing to provide the same, if not a higher, level of service to the municipalities involved in the program.

1. The Department requests to modify s. 70.114 (4) to remove the state share from the annual PILT to municipalities. This amount, which is currently sent by the Department as part of the overall PILT payment, is later sent back to the Department approximately two weeks. The intent of the request is to allow the Department to deposit the state share directly into the Forestry Account before it sends the remaining PILT payment to the municipality, which will save time and resources for both parties involved.

Background: In Fiscal Year 2012, a total of 806 municipalities received PILT payments from the Department, approximately 700 of which were required to make a payment back to the Department (municipalities with a state payment amount under \$5.00 are exempted). Upon arrival, these checks are logged into a tracking system, checked against the expected amount of payment, and then deposited into the Forestry Segregated account.

2. The Department requests to modify s. 70.114 (3) so that payment dates for PILT are moved from January 31st to July 31st. This change will eliminate the duplication of effort that occurs when the Department requests mill rates from various communities in December and while the Department of Revenue (DOR) later duplicates that same process later in the year.

Background: The Department is required by 70.114 to make payments to the municipalities by January 31st of each year. In order to facilitate this, the Department must request the mill rate information from each community in the program, and enter that manually into the PILT payment

system. As with all data collection and entry processes, there is a certain amount of error and missing information that must be dealt with in order for the program to function. Later in the year, the DOR collects the same information for use in the annual tax process.

Suggested language for s. 70.114 (3) is as follows (changes in bold):

(3) **ASCERTAINING RATE.** Each year, the department shall ascertain ~~from the clerks of the taxation district~~ the aggregate net general property tax rate for taxation districts to which aids are paid under this section.

B. FORESTRY DIVISION

Rename Sub-Section 1 (Land) of Statute 20.370 to Land & Forestry

The Department requests to rename subsection (1) of the appropriations schedule "Lands and Forestry". Currently Wisconsin statute 20.370 (1) is simply titled "Lands" despite the fact that it includes the Division of Forestry as well.

Timber Sale Advertising & Direct Sale Requirements

The Department requests statutory modifications to increase the direct sale amount for timber sales, remove the requirement for publishing notice of timber sales in an official newspaper having general circulation in the county that the timber is being sold, and offer an option to post on an official website. This revision would align the Public Land's timber sale advertising and direct sale requirements with current technologies and price structure.

Changes to s. 28.05(2) and 28.11(6)(b)(1) and 28.22 Wis. Stats. --- 28.05 apply to State timber sales, 28.11 applies to County Forest timber sales, and 28.22 applies to Community forest timber sales. In all cases, the advertising requirements need to be changed to allow an option for advertising timber sales on the web. Secondly, the direct sale limit would be changed to \$10,000 to better reflect current stumpage rates.

Proposed language would read as follows:

28.05(2) – PROCEDURE. Sales of cut products or stumpage having an estimated value of ~~\$3000~~ \$10,000 or more shall be by public sale after 2 publications of an classified advertisement announcing the sale in a newspaper having general circulation in the county in which the timber to be sold is located or by posting on the department of natural resources website. Sales with an estimated value of ~~\$3000~~ \$10,000 or more requires approval of the secretary.

28.11(6)(b)(1) – Any timber sale with an estimated value of ~~\$3000~~ \$10,000 or more shall be by sealed bid or public sale after publication of an advertisement announcing the sale in a newspaper having general circulation in the county in which the timber to be sold is located or by posting on the county website. Any timber with an estimated value below ~~\$3000~~ \$10,000 may be made without prior advertising. Any timber sale with an estimated value of ~~\$3000~~ \$10,000 or more requires approval of the secretary.

28.22 – Any timber sale from a community forest shall be based on the scale, measure or count of the cut products. Any timber sale with an estimated value of \$10,000 or more shall be by public sale after 2 publications of a classified advertisement announcing the sale in a newspaper having general circulation in the county in which the timber to be sold is located or by posting on a city, village, town, or school website.

Background: The intent of this request is to mandate that an open and fair competitive bidding process be applied on our 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 \$27.00 per sale, and 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 \$20,000 per year for the state, counties, municipalities and schools who administer public forests.

There is also an 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 in more than one county on that managed property. 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.

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. The direct sale limit currently rests at \$3000 for both State lands, County Forests and Community Forests. The statute was last revised in 1999. At that time, the average sale value on our public lands was \$18,118. The direct sale limit of \$3,000 was 16.6% of that figure. In 2010, the average sale value has risen to \$40,520. A proposed direct sale limit of \$10,000 would be 24.6% of the current average sale value. Reasons for the proposed increase include the 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. The proposed \$10,000 limit would allow for direct sale of approximately 200 cords of wood.

Equipment Pool Appropriation Changes

The Department requests modifying appropriation s. 20.370(8)(mt) *Equipment pool operations* to include fire control and forestry equipment and supplies. Proposed language would read as follows:

20.370(8)(mt) *Equipment pool operations.* All moneys received by the department from the department or from other state agencies from car, truck, airplane, heavy equipment, information technology or radio pools for operation, maintenance, replacement and purchase of vehicles, equipment, radio services, fire control, forestry equipment, forestry supplies and information technology.

The Lemay Center Forestry Warehouse currently operates under three different appropriations: 20.370(1)(mv), (1)(mi), and (1)(mk). This results in a negative accounting balance in the expense appropriation 20.370(1)(mv). Modifying 20.370(8)(mt) will bring this warehouse pool operation in accordance with state accounting standards, and replicate how central fleet is currently budgeted.

Background: Under current practice, the purchase of fire control and forestry equipment and supplies are expensed to Forestry's primary operation appropriation [s. 20.370 (1)(mv)], whereas the revenue generated from the sale of the equipment and supplies is posted to separate program revenue appropriations, depending upon the type of entity making the purchase [s. 20.370 (1)(mi) for sales to local units of government and s. 20.370 (1)(mk) for internal DNR sales]. Due to the sale of equipment

and supplies lagging behind the inventory purchases the activity is best housed in a single, non-budgetary appropriation.

The Lemay Center Forestry Warehouse maintains a physical inventory of items necessary to sustainably manage and protect the state's forestry resources. These items are used in the production and outfitting of state owned assets and personnel as well as personnel at partnering organizations such as fire departments. These items range in cost from \$.01 per unit (a lock washer) to \$4,000 per unit (a fire pump). It is necessary to maintain a physical inventory to fulfill the day-to-day operational aspects of the warehouse for the production of fire equipment. An inventory is also necessary to serve as a sales and distribution point for partners to procure new and replacement items, which are used to fulfill Memorandums of Understanding to support fire protection efforts on the state's lands. All recognized fire departments in the State of Wisconsin are able to purchase items used in forest fire suppression through the warehouse.

C. WATER DIVISION

Great Lakes Vessel Rental Costs

The Department requests statutory language to allow the Bureau of Fisheries Management to obtain reimbursement for any staff salaries, supplies, depreciation, and capital expenses associated with the use of its Great Lakes research vessels. Revenues that would be generated from these reimbursements would be deposited into the Fish and Wildlife Account. The model for the language would be the Department's existing property rental appropriation--s. 20.370(1)(jr)--but would be broader in scope.

The Bureau of Fisheries Management (FM) recently spent ~\$2.7 million to construct a new Lake Michigan research vessel (Coregonus) and to rebuild its Lake Superior research vessel (Hack Noyes). These construction and renovation costs have been funded from the Fish and Wildlife account. While the primary use of the vessels will be for fisheries management or fisheries-related law enforcement activities, the FM program is periodically asked by other DNR programs or other external agencies to conduct activities on these vessels that are not necessarily eligible for Fish and Wildlife account support. Examples include U.S. Fish and Wildlife Service using a boat to complete some near-shore lake trout sampling, and DNR's Bureau of Science Services using a boat for water quality sampling.

The Department is prohibited from obtaining reimbursement for any permanent salaries or capital expenses associated with shared use of Fisheries Vessels. Given that the construction costs of the vessels and the ongoing salary costs of the captains and crew are paid from the Fish and Wildlife account, it seeks the authority to recover costs incurred for non-Fish and Wildlife supported activities.

Fisheries Management receives 2-4 of these requests per year and provides for each a minimum staff of a Research Vessel Captain and first mate. Trips range from 3-6 days with approximately 10 hours/day of work time. Using an hourly rate estimate of \$30/hour including fringe, this comes out to a staffing cost of \$1800-\$3600 in staff time per trip, or up to \$14,000 per year. In obtaining reimbursement, supply and staff costs could be charged as accrued. For depreciation costs, FH could develop a per-use cost based on the approach taken for fleet vehicles.

Transfer Commercial Construction Site Erosion Control Program

The Department requests the following statutory changes that would effectively transfer the responsibility for administering erosion control requirements at commercial building construction sites from the Department of Safety and Professional Services (DSPS) back to DNR.

- The repeal of ch. 101.1206, Wis. Stats and all references to it in statute. This will eliminate duplicative efforts between DNR and DSPS to administer erosion control at commercial building sites.
- The repeal of Section 9135 of 2011 Wisconsin Act 32. This section contains language regarding the transfer of commercial construction site erosion control which would not be relevant with the repeal of ch. 101.1206, Wis. Stats.
- Change ch. 101.653(2m) to read; *"The department shall promulgate rules for the administration of construction site erosion control under this subchapter by counties, cities, villages and towns, including provisions regarding the issuance of **building** permits and the collection and distribution of fees."* Adding the word "building" clarifies that local units of government will not be issuing WPDES permits.
- Change ch. 281.33(3)(a)1 to read; *"Except as restricted under subd. 2., the department shall establish by rule minimum standards for activities related to construction site erosion control and to storm water management."* Deleting the words *"where the construction activities do not include the construction of a building"* makes this section applicable to all sites.

Background:

The 2011-2013 biennial budget transferred the responsibility for administering erosion control requirements at commercial building construction sites from the DNR to the newly-created Department of Safety and Professional Services (DSPS). This transfer runs counter to the Environmental Protection Agency's delegation to DNR as the authority for administration of the National Pollutant Discharge Elimination System (NPDES) in Wisconsin. Wisconsin currently administers the delegated NPDES program via the Wisconsin Pollutant Discharge Elimination System (WPDES) program.

In a July 18, 2011 letter to DNR, EPA expressed concern that it had not approved any dividing of permitting authority between multiple agencies. Therefore, in EPA's opinion, only DNR can issue coverage under the WPDES system on behalf of EPA, which means that commercial building construction sites of an acre or more and 1 and 2 family dwelling construction sites that have not received coverage under the WPDES permit from DNR risk being in violation of the Clean Water Act (CWA).

The commercial building erosion control program has frequently been shifted between state agencies over the last 20 years. In the mid-1990s, it was split off from DNR's overall construction site erosion control program and transferred to the Department of Commerce. In 2009, the 2009-11 biennial budget (2009 Act 28) transferred the authority back to DNR. Then, in 2011, the 2011-13 biennial budget (2011 Act 32) transferred the authority back to the Department of Commerce, which later became DSPS.

EPA has taken the position in a letter to DNR dated July 18, 2011 that all construction sites where an acre or more of land disturbing construction activity takes place must be permitted by DNR as their delegated authority. Even if DSPS performs the plan review and inspection activities for which they have been given authority by the state, WPDES permit coverage will still need to be obtained from DNR for commercial building construction projects as required by EPA.

Rationale for Request:

1. DNR can administer the regulation of erosion control at commercial building sites in a more efficient, cost-effective, and streamlined manner.

- Since it has already successfully absorbed the commercial building sites into its existing stormwater program, DNR has the expertise, organization, and administrative capability to implement the program for commercial building sites. By contrast, DSPS has not yet taken over administration of erosion control at commercial building sites and does not have the infrastructure to implement the program.
- DNR has developed an electronic notice of intent (NOI) which allows for the efficient collection of data and issuance of permits statewide under a single system. This is a more streamlined application process that will provide for better communication with applicants on the status of their applications and DNR review, and it enables DNR staff to spend more time on compliance. On the other hand, splitting jurisdiction requires resources from two different agencies to collect similar information using duplicate but different systems that are incapable of communicating with each other.
- When the program has been split among two agencies, considerable staff resources have been used to ensure compliance with the CWA and the DNR permit that could otherwise have been spent on efforts to optimize a single, efficient program.
- Splitting erosion control responsibilities requires DSPS to:
 - Hire staff/reassign staff
 - Develop rules
 - Address the issue of not having authority for storm water management
 - Develop an MOU with DNR that is acceptable to EPA
 - Provide training to staff and the regulated community
 - Establish a means of communication with DNR
 - Develop an equivalent program and request review and concurrence from DNR

2. DNR administration of the erosion control regulations at commercial building site provides for greater consistency, uniform customer service, and reduced confusion.

- When Commerce had commercial building sites, there was an ongoing and fundamental issue of fairness in the construction industry. Landowners and consultants involved with projects regulated by the DNR were aware that they were being held to standards that owners of commercial building sites were not held to.
- When commercial building sites were previously handled by Commerce, there was considerable confusion among the regulated industry, particularly consultants, about which agency regulated which sites and what the requirements were. It was not uncommon for both agencies to have jurisdiction over the same site depending on construction sequencing. DNR staff believes that this confusion will return under the current split agency arrangement.
- The general public has often been confused over who has jurisdiction when trying to register complaints on apparent erosion control violations, which has led to valuable staff time being allocated toward tracking down jurisdictional responsibilities.

3. The DNR's mission and expertise enables it to better manage erosion control at commercial building sites in accordance with the Clean Water Act (CWA) and EPA requirements.

D. DEPARTMENTWIDE

Environmental Cost Recovery

The Department requests to amend environmental statutes to ensure that each chapter provides for potential recovery of reasonable and necessary expenses incurred by the Department to investigate and prosecute violations of state environmental laws as well as costs incurred in monitoring, clean-up or restoration of the environment that is necessary as a result of the violations.

For example s. 281.98(2) provides that the State may recover costs for the reasonable and necessary expenses of the investigation and prosecution of a violation. Also, under s. 283.87(1), the State may recover for environmental fund the cost of removing, terminating or remedying the adverse effects upon the water environment resulting from the unlawful discharge or deposits of pollutants into the waters of the state. The intent of the proposed changes would be to allow for this possibility in all environmental programs.

PECFA Supplement Appropriations

The Department requests to transfer appropriations s. 20.370 (2)(mu) and s. 20.370 (4)(mw) to the State's schedule of miscellaneous appropriations under s. 20.855. Since the Department already derives spending authority in other appropriations as a result of this transfer, it represents a double counting of budget authority.

**ENVIRONMENTAL IMPROVEMENT FUND
2013-2015 BIENNIAL FINANCE PLAN
Draft of September 10, 2012**

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 and the Safe Drinking Water Loan Program (and in the past, 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 \$7.1 million of general obligation borrowing authority, no new revenue bonding authority, and \$106.3 million of present value subsidy authority.

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

	CHANGE IN AMOUNT	CUMULATIVE
A. CLEAN WATER FUND PROGRAM		
General Obligation Bonding	\$0*	\$816.8
Revenue Bonding	\$0	\$2,716.3
Present Value Subsidy	\$76.7	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	\$7.1*	\$61.2
Present Value Subsidy	\$29.6	n/a

Notes:

* For the 2013-15 biennium, it is estimated that the Clean Water Fund Program and the Safe Drinking Water Loan Program will together require \$7.1 million of new general obligation bonding authority to fund \$802.4 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.

CAPITAL DEVELOPMENT

The Department's plans and requests for capital development are reviewed separately from the operating budget. Summaries excerpted from the Department's capital budget are included here for informational purposes.

DEPARTMENT OF NATURAL RESOURCES CAPITAL DEVELOPMENT REQUEST

COMPARISON OF 2013-15 REQUEST TO 2011-13, BY SOURCE

	2011-13 Request	2011-13 Final	2013-15 Request
Funding Source			
Stewardship Recreation Development	\$18,000,000	\$25,000,000	\$14,000,000
Old Stewardship (approved from prior biennia)	0	0	450,000
All Agency	650,000	400,000	500,000
General Fund Supported Borrowing	0	0	0
Conservation Segregated Bonds	9,346,500	9,346,500	7,841,500
Environmental Segregated Bonds	692,700	692,700	948,300
Total Bonding	\$28,689,200	\$35,439,200	\$23,739,800
GPR	1,624,600	1,373,820	1,624,600
GPR-Historic Sites	164,200	137,380	121,200
Building Trust Funds-Planning	0	0	0
Multi-Program Admin. Facility	341,800	288,800	358,715
Total GPR	\$2,130,600	\$1,800,000	\$2,104,515
GPR Roads	4,000,000	3,544,135	4,000,000
DOT Roads	0	0	0
Town & Co. Road Aids	2,000,000	1,772,065	2,000,000
Total Road Funds	\$6,000,000	\$5,316,200	\$6,000,000
Fish & Wildlife Seg.	449,600	449,600	449,600
Forestry Seg.	1,346,600	1,328,600	1,346,600
Seg. Administrative Facilities	753,600	744,800	756,904
Boat (Motor fuel tax, Boat, 7,16)	600,000	554,400	600,000
Stamps (Salmon, Waterfowl)	143,800	143,800	1,873,021
Mississippi River (EMP)	125,000	115,400	125,000
Total Conservation	\$3,418,600	\$3,336,600	\$5,151,125
Federal (Including SFR, PR, NRTA, LE-Fed, LAWCON)	6,339,950	6,339,950	3,335,535
Ducks Unlimited	0	0	0
Rental/Other	0	0	47,500
Gifts & Grants	775,800	775,800	0

Operations (ATV, Snowmobile)	401,000	401,000	405,000
LE Boat - State	200,000	200,000	200,000
Total Fed & Other	\$7,716,750	\$7,716,750	\$3,988,035
TOTAL DEVELOPMENT - Non-SER HQ	\$47,955,150	\$53,608,750	\$40,983,475
SER HQ			
General Fund Supported Borrowing	0	0	5,103,870
Conservation Segregated Bonds	0	0	4,423,354
Environmental Segregated Bonds	0	0	7,485,676
SER HQ Total			\$17,012,900
TOTAL DEVELOPMENT	\$47,955,150	\$53,608,750	\$57,996,375

**DEPARTMENT OF NATURAL RESOURCES
CAPITAL DEVELOPMENT BUDGET
2013-2015**

PROPOSED PROJECT AND FUNDING SUMMARY BY PROGRAM

PROGRAM	AMOUNT
FISHERIES/WATERSHED	1,975,247
WILDLIFE	2,330,067
FORESTRY	13,124,115
PARKS AND RECREATION	12,693,324
LAW ENFORCEMENT/SCIENCE SERVICES	463,100
ENDANGERED RESOURCES	0
LANDS	589,974
ADMINISTRATIVE FACILITIES & PENDING AMOUNTS	26,820,548
TOTAL	\$57,996,375

**DEPARTMENT OF NATURAL RESOURCES
CAPITAL DEVELOPMENT BUDGET
2013-15**

MAJOR PROJECTS PRIORITY LIST (>\$760,000)

SOUTHEAST REGION HDQTRS	SER HEADQUARTERS/SERVICE CENTER	\$17,012,900
MEDFORD RANGER STATION	MEDFORD RANGER STATION REPLACEMENT	\$1,845,200
LAKE WISSOTA	CONSTRUCT NEW PUBLIC ENTRANCE VISITOR STATION AT LAKE WISSOTA	\$1,114,800
DEVIL'S LAKE STATE PARK	QUARTZITE SHOWER BUILDING REPLACEMENT	\$1,059,000
POTAWATOMI STATE PARK	CONSTRUCT NEW PUBLIC ENTRANCE VISITOR STATION	\$968,700
HARTMAN CREEK STATE PARK	3-BAY DRIVE THRU STORAGE	\$967,500
NECEDAH RANGER STATION	CONSTRUCT HEATED FIRE CONTROL STORAGE FACILITY	\$826,900

WASTE MANAGEMENT PLAN

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, 07/01/11	\$7,814,213
Fiscal Year 2012 Revenue	142,971
Fiscal Year 2012 Expenditures	<u>(130,665)</u>
Cash Balance, 06/30/12	\$7,826,519

The fiscal year 2012 beginning cash balance consists of \$1,999,172 from fee revenue, \$4,900,500 from interest earned on the fee revenue, and \$914,541 from various legal actions and interest earned on those deposits. Revenue received in fiscal year 2012 includes \$9,836 of interest earned on fee revenue/interest and \$133,135 of revenue and interest from judgments and other legal actions. Expenditures of \$130,665 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.