



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #651

Forestry and Law Enforcement Radio Equipment (DNR -- Fish, Wildlife and Recreation and Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 474, #15; Page 479, #3]

CURRENT LAW

The Department of Natural Resources is provided an account within the conservation fund for intradepartmental moneys received from the car, truck, airplane, heavy equipment, information technology, and radio pools for the operation, replacement, maintenance and purchase of vehicles, equipment, radio services, and information technology.

GOVERNOR

Provide \$108,000 in 2001-02 (\$12,100 FED, \$4,000 PR, and \$91,900 SEG from the conservation fund) and \$215,800 in 2002-03 (\$24,100 FED, \$8,000 PR, and \$183,700 SEG from the conservation fund) to pay for a master lease program to replace 209 mobile radios and 209 portable radios for the conservation warden force. Segregated funds would be provided 89.8% from the fish and wildlife account, 9.5% from the boating account, and 0.7% from the ATV account.

In addition, provide \$467,500 in 2001-02 and \$393,500 in 2002-03 from the forestry account of the conservation fund to update forest fire communications and to purchase fire suppression capital equipment.

DISCUSSION POINTS

1. The main revenues to DNR's radio pool account are a \$160 per year, per radio fee assessed to bureaus within the Department. Current fees are set by DNR to cover maintenance costs

only; bureaus are required to fund purchases of new equipment with biennial budget requests. Prior to 1999, the fee varied from \$260 to \$530 per radio, depending on the type of equipment used. Decreasing the cost per radio reduced revenues by one-half and generated savings of approximately \$229,100 to the various bureaus beginning in 1999, when the change was made. Savings by program due to this change are detailed in the following table.

1998-99 Fee Decrease: Savings by Bureau

<u>Bureau</u>	<u>1997-98 Charges</u>	<u>Number of Radios</u>	<u>1998-99 Savings</u>
Administrative & Field Services	\$14,677	59	\$5,237
Endangered Resources	860	2	540
Fisheries Management & Habitat Protection	3,140	16	580
Forestry	146,428	506	65,468
Law Enforcement	143,830	380	83,030
Facilities & Lands	3,220	12	1,300
Lands Program Management	260	1	100
Parks & Recreation	85,830	266	43,270
Remediation & Redevelopment	2,360	9	920
Southern Forests	21,810	74	9,970
Wildlife Management	42,280	150	18,280
Watershed Management	<u>430</u>	<u>0*</u>	<u>430</u>
Total	\$465,125		\$229,125

*Liquidated radios.

2. The bill would allow for the replacement of all law enforcement radio equipment over a two-year period. Total costs to replace both mobile and portable radio units for 209 wardens are estimated at approximately \$558,300, based on figures available in May of 2000. These costs, plus interest, would be spread across a three-year master lease from 2002 through 2004.

3. In addition, \$393,500 annually from the forestry account would be used for the purchase of radio system components, including replacement radios with expanded channel capacity, portable and fixed location repeaters, and unicom radios for work associated with forest fire suppression. (One-time funding of \$74,000 is also provided for a portable automated weather station, five enclosed trailers to store and transport electronic communications equipment to command posts during fires, funds to equip fire control tractors with strobe lights, and to replace the milling machine at the LeMay Forestry Center in Tomahawk.)

4. While the pool accounts are all contained within a single appropriation, DNR tracks three pools separately: (a) a vehicle and heavy equipment pool; (b) an airplane pool; and (c) a radio pool. Under 1997 Act 27, DNR received the authority to use funds from the pool account for information technology expenditures. The Department used \$1.4 million of vehicle pool funds for

this purpose. At the same time, DNR determined that because changing technology made it difficult to estimate radio replacement costs (and therefore, assess a suitable chargeback rate), that the radio pool would only provide maintenance and support. Subsequent purchases of radio equipment would need to be made through a biennial budget request. As a result of this change in DNR policy, rates charged per radio to support the pool were reduced. The Department directed bureaus to use these "radio charge savings" to assist in funding the information technology purchases. In total, \$229,100 that would have otherwise been paid into the radio pool was used for information technology purchases in 1998-99. Beginning in 1999-00, savings from the radio pool charges were available for general expenditure by the bureaus.

5. In 1998, DNR and DOT jointly entered into a seven-year master lease to purchase high speed frequency (VHF) sorting technology for a pilot site. This pilot project will test a proposed new public safety radio system in a corridor running between Janesville and Black River Falls. The cost of this radio trunking program was split evenly between the two departments. Both contributed an initial payment of \$267,900, and paid \$177,860 in fiscal year 2000. Master lease payments in subsequent years (including 2000-01) are \$167,100 annually, with total expenditures of \$1,448,500 each over the seven years. To date, DNR has paid the cost of the master lease out of the radio pool account. The radio pool had an account balance of \$1.5 million as of July 1, 1998, and is estimated at \$0.4 million on July 1, 2001.

6. The Department estimates that the radio pool balance will be sufficient to support the continued payment of the VHF radio trunking master lease through June 30, 2003. At current pool rates, continued funding of this project may require an appropriation as part of the 2003-05 biennial budget.

7. Previous to DNR's decision to reduce chargeback rates to bureaus, radio equipment replacement was funded from the pool. The decision to discontinue this practice, and to use funds paid for radio replacement for information technology purchases or to effectively increase available bureau budgets could be viewed as counter to the legislative intent that established the pool program to include radio replacement. If the funding in the bill is not provided, the Department could again charge suitable chargeback rates to support the purchase of radio equipment from the pool account.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide:

(a) \$108,000 in 2001-02 (\$12,100 FED, \$4,000 PR, and \$91,900 SEG from the conservation fund) and \$215,800 in 2002-03 (\$24,100 FED, \$8,000 PR, and \$183,700 SEG from the conservation fund) to pay for a master lease program to replace 209 mobile radios and 209 portable radios for the conservation warden force.

(b) \$467,500 in 2001-02 and \$393,500 in 2002-03 from the forestry account of the conservation fund to update forest fire communications equipment. Of this funding, \$393,500 annually would be used for the purchase of radio equipment.

Alternative 1	FED	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$36,200	\$12,000	\$1,136,600	\$1,184,800
<i>[Change to Bill]</i>	\$0	\$0	\$0	\$0

2. Provide \$74,000 in forestry SEG in 2001-02 for a portable weather station, trailers, fire control tractor lights, and a milling machine. (DNR could again charge suitable radio rates to support the purchase of radio equipment from the pool account.)

Alternative 2	FED	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$0	\$0	\$74,000	\$74,000
<i>[Change to Bill]</i>	-\$36,200	-\$12,000	-\$1,062,600	-\$1,110,800

3. Maintain current law. (DNR could charge suitable rates to support the purchase of equipment from the pool accounts.)

Alternative 3	FED	PR	SEG	TOTAL
2001-03 FUNDING (Change to Base)	\$0	\$0	\$0	\$0
<i>[Change to Bill]</i>	-\$36,200	-\$12,000	-\$1,136,600	-\$1,184,800

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