



Conservation Fund

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Conservation Fund

Introduction

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). DNR programs supported by conservation fund revenues include wildlife and fish management, forestry, the state parks system, the endangered resources program, and several recreational vehicle programs. The conservation fund also supports programs and operations in other agencies, including the Lower Wisconsin State Riverway Board, the Fox River Navigational System Authority, the Kickapoo Reserve Management Board, the University of Wisconsin System, the State Historical Society, and the Departments of Tourism, and Agriculture, Trade and Consumer Protection.

The conservation fund is defined under s. 25.29 of the Wisconsin Statutes. Fund revenues may only be expended under the appropriation authority provided by the Legislature. The Department cannot transfer funds between appropriations. At the end of each fiscal year, unexpended amounts in most conservation fund appropriations lapse to the balance of the fund.

State and federal law require that some types of conservation fund revenues be used exclusively for particular activities. In addition, the statutes require that all monies received through DNR resource management, enforcement and local support activities be credited to the program which generated them. Therefore, separate accounts within the conservation fund have been administratively created to facilitate its management. One account, into which snowmobile program revenues are deposited, is designated by statute. Other accounts may be referenced in statute, but are not defined.

The subdivision of the conservation fund into separate accounts differs from the practice used for most other state segregated funds. For example, the state transportation fund is not split into separate accounts. The accounts within the conservation fund enable DNR to ensure that revenues are utilized for authorized purposes. In addition, the accounts system is useful in developing budgets for each program area.

The conservation fund is divided into the following nine accounts (a tenth account, the motorcycle recreation account, was eliminated on June 30, 2005):

- fish and wildlife
- forestry
- parks
- water resources
- boat registration
- all-terrain vehicle (ATV)
- snowmobile
- endangered resources
- natural resources magazine

This paper contains information on revenue sources for each account and the appropriations provided for specific programs during fiscal years 2014-15 and 2015-16. Data for 2014-15 is actual, while 2015-16 includes budgeted expenditures and estimated revenues. While select 2015-16 data was available, as of December 1, 2016, DNR had not finalized 2015-16 revenues or expenditures. Authorized staff by account reflects fiscal year 2016-17 authorized positions. The estimated 2014-16 condition statement for the conservation fund is included as Appendix I. Descriptions of program changes resulting from recent legislation are also included.

In reviewing the revenue and expenditure data, the reader should note five points. First, although certain federal revenues received by the state are deposited in the conservation fund, these revenues are not included in discussions of revenues to each account or included in revenue totals. These reve-

nues are credited to separate federal appropriations. Second, several of the programs funded from the conservation fund also receive funding from general purpose revenue (GPR) or program revenue (PR), which are also credited to separate appropriations and are not generally discussed in this paper. Third, budgeted expenditures may exceed actual and estimated revenue amounts for some of the accounts. This can occur when an account has a positive, uncommitted balance from a previous fiscal year and part of this balance is appropriated to fund program activities in the next fiscal year. Fourth, the amounts identified as revenue estimates for the 2015-16 fiscal year are primarily based on revenues over the previous several fiscal years. Fifth, some revenue sources and expenditure categories, such as licensing and administration, are common to more than one account in the conservation fund, and are discussed in a separate section rather than under the individual accounts.

Table 1: Fish and Wildlife Account Revenue

	2014-15 Actual	2015-16 Estimate	2014-15 % of total
Resident Hunting Licenses	\$20,518,200	\$20,801,000	27.7%
Nonresident Hunting Licenses	6,710,500	6,926,000	9.0
Duplicate Hunting	64,700	58,000	0.1
Hunting Stamps	1,298,000	1,300,000	1.8
Resident Fishing Licenses	14,305,800	14,452,000	19.3
Nonresident Fishing Licenses	9,954,300	10,100,000	13.4
Two-Day Great Lakes	549,300	560,000	0.7
Duplicate Fishing	86,200	83,000	0.1
Fishing Stamps	3,062,400	2,950,000	4.1
Combination Licenses	9,262,900	9,100,000	12.5
Permit Application Fee	957,200	970,000	1.3
Other Licenses and Permits	484,500	395,000	0.7
Timber Sales	3,347,700	4,000,000	4.5
Handling Fees	8,500	51,800	0.0
Education and Safety (Hunter Education)	194,600	219,200	0.3
ALIS Transaction Fees	-1,236,600	-1,286,000	-1.7
Tribal Gaming Transfer	3,000,000	3,000,000	4.0
All Other	<u>1,591,000</u>	<u>1,430,000</u>	<u>2.1</u>
TOTAL	\$74,159,200	\$75,110,000	100.0%

during 2014-15 and estimated revenues for 2015-16 are shown in Table 1. Additional detail regarding specific revenue sources is discussed under each corresponding expenditure.

Fish and Wildlife Account

Revenue

General Account Revenue Sources. The primary source of revenue to the fish and wildlife account is the fees charged for hunting, fishing and special licenses and stamps. There are a wide variety of licenses authorizing residents and non-residents to hunt, trap, and fish. Hunting and fishing licenses vary according to the type of species that may be pursued, the method of pursuit, the number of people for whom the license is valid and the time period for which the license is valid. To hunt or fish certain species such as wild turkey or trout, a stamp must be purchased in addition to the license. Fish and wildlife account revenues

2015 Act 55 deleted \$1,005,100 fish and wildlife SEG in 2016-17 and 13.35 vacant positions. In addition, the Act requires DNR, in consultation with stakeholders such as hunters, anglers, trappers, and conservationists, to prepare a report and submit it to the Joint Committee on Finance by January 1, 2017, on a plan to address the imbalance in the fish and wildlife account. The report must include recommendations for program reductions and hunting and fishing approval fee increases necessary to bring ongoing revenue and expenditure levels into balance. However, estimated revenues of approximately \$74 million in 2016-17 are expected to fall perhaps \$1.6 million short of approximately \$76 million in expenditures authorized under the Act.

Most licenses may be purchased directly from DNR or from sales agents appointed by the De-

partment such as sporting goods stores, discount stores and bait shops, although certain licenses are only available through the Department. A sales agent retains 50¢ for each license and 15¢ for each stamp sold. In addition to receiving the issuance fee, since license year 2002, sales agents have also retained 50¢ for each transaction provided through the Automated License Issuance System (ALIS), as well as 50¢ for each antlerless deer hunting tag issued. Both the issuance and transaction fees are deducted from the amount of license revenue retained by DNR. In fiscal year 2014-15, agent commissions totaled approximately \$3.5 million. In 2015-16, approximately \$2.9 million was budgeted for the operation of the Automated License Issuance System.

Agents contracting with DNR to operate ALIS terminals may also collect and retain the handling fee that DNR is authorized to charge for handling costs, credit transaction fees, mailing and personnel costs if the individual purchases a license using a credit card. Currently, this fee is \$3. License year 1999 (April, 1999, through March, 2000) was the ALIS system's first year of operation. Over 1,500 agents contracted with DNR to operate ALIS terminals, including gas stations, marinas, sporting goods stores, and chain stores such as Wal-Mart and Mills Fleet Farm. By license year 2015, the number of independent ALIS agents decreased to 1,250, not including the 30 DNR locations.

In license year 2015, (April, 2015, through March, 2016), there were 356 different licenses and approvals issued through ALIS. The Department also offers most licenses and registrations through its website. During license year 2015, in over 2.7 million transactions, approximately 7.8 million licenses were sold through ALIS to approximately 1.7 million customers. Approximately \$72 million in revenue was collected in license year 2015 from ALIS transactions.

In March, 2016, the Department replaced the ALIS system with a new license system, referred

to as "Go Wild." The system initially handled sales of hunting, fishing, and trapping licenses, but added registrations of boats, ATVs, and snowmobiles soon after. Users may also sign up for safety courses, purchase recreational vehicle trail passes, make a donation, and, eventually, purchase a subscription to the Natural Resources Magazine. The system was developed by Wisconsin Interactive Network (WIN), at no up-front cost to DNR. WIN will recoup costs by collecting 65¢ for each hunting, fishing, or trapping transaction and 35¢ for each boat or vehicle registration. DNR has a seven-year contract with WIN to operate the system and total costs are expected to be similar to the previous system. License vendors will receive the same license and transaction fees as under ALIS, typically 50¢ per license and 50¢ per transaction. Currently, there are 357 different licenses and approvals available through the Go Wild system, and as of April, 2016, 1,280 agents, including DNR service centers, offer Go Wild terminals.

The Go Wild system also allows most authorizations to be paperless, a change facilitated by 2015 Act 89, which generally allows a license/approval holder to show proof that they paid for an approval, rather than the approval itself. License information may be linked to a Wisconsin driver's license, stored on a phone, or placed on a new Conservation Card, authorized under Act 89, which a license holder may purchase for \$3.50. The Conservation Card may be carried for multiple years and reloaded with additional licenses/approvals. Paper copies of licenses may be printed at home, or printed by a vendor for a fee of \$2. Certain paper copies of approvals will still be required, such as carcass tags, although 2015 Act 89 eliminates the requirements that a carcass tag be attached to certain animals and instead requires only that the carcass tag be validated. Licenses will no longer be available by phone under the Go Wild system.

In addition to state licenses, in the past, DNR also offered certain Lac du Flambeau tribal hunting and fishing licenses and approvals. There is

currently no agreement in place between the Lac du Flambeau Band and DNR, under which the tribe would limit its treaty-based right to fish outside the reservation consistent with s. 29.2295 of the statutes. In 2013, the Lac du Flambeau Band of Lake Superior Ojibwe made walleye declarations in a manner that did not allow the State of Wisconsin to maintain a walleye bag limit of three walleyes on off-reservation lakes that had been specified in a 17-year agreement between the Band and the Department.

As a condition of receiving federal aid under the Sport Fish Restoration Act and the Pittman-Robertson Wildlife Restoration Act, federal law requires that revenues received from hunting and fishing licenses not be diverted to purposes other than administration of the state fish and wildlife agency (in Wisconsin, the Department of Natural Resources). Federal aid is apportioned to each state based on the number of paid license holders and the land and water area of the state. To have a license sale recognized in the formula for determining federal aid, the state must charge a fee for a license sufficient to produce net income to the state after deducting reasonable costs to issue the license.

Current major recreational hunting and fishing licenses and corresponding fees are identified in Appendix II, as well as the number sold during fiscal year 2015-16 as reported by DNR's Bureau of Customer Service and Licensing. The fees include the issuing fee and the wildlife damage surcharge where applicable (the wildlife damage surcharge is applied to most hunting licenses).

Combination licenses, which provide holders the privileges of several individual licenses, are also available. These licenses include the conservation patron and sports licenses. The conservation patron license provides the holder with a number of hunting, fishing and other recreational privileges and a subscription to Wisconsin Natural Resources magazine. Most of the revenue from conservation patron license sales is retained in the

fish and wildlife account; however, a portion of the revenue is transferred to the forestry, parks and natural resources magazine accounts of the conservation fund to reflect the revenue from the license attributable to the privileges related to those accounts. The sports license provides the holder all the privileges of the fishing license and the small game and firearm deer hunting licenses. Beginning April 1, 2003, a sports and junior conservation patron license are also available, for a reduced fee, to individuals between the ages of 12 and 17 years of age, which confer the same privileges of a regular conservation patron or sports license.

The Department currently charges a \$3 permit application fee for the following permits: (a) otter trapping; (b) fisher trapping; (c) Canada goose hunting; (d) wild turkey hunting; (e) sharp-tailed grouse hunting; and (f) Class A bear license. Some of these fees are waived for holders of the conservation patron license. In addition, the permit application fee for the bobcat hunting and trapping permit is currently \$6, and the permit application fee for an elk license, should an elk hunt be held, and for the wolf harvest license is \$10.

In addition to licenses purchased primarily for recreational fish and game activities, several types of licenses are required for specialized commercial fish and game activities. These include guide and sport trolling approvals, fur dealer and taxidermist licenses, commercial fishing and clamming approvals, fish and bait dealing approvals, captive wild animal farm approvals and licenses for wild rice harvesting and dealing. In addition, a DNR environmental permit may be required for certain fish farming operations, although the Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for annual registration of fish farms, fish import permits for live fish and eggs, and fish health issues.

Reduced-Fee Licenses. DNR issues certain reduced-fee licenses to youths, seniors, disabled persons, and disabled veterans. While nonresi-

dents generally pay higher fees for hunting and fishing licenses, members of the armed forces and members of reserve units of the armed forces who are stationed in Wisconsin are to be charged the resident fees for hunting, trapping, and fishing licenses. Active-duty military personnel may receive a free annual fishing/small game license. In addition, 2013 Act 55 required DNR to treat a qualified recipient of a Purple Heart medal as a resident for the purposes of obtaining a hunting, trapping or fishing license, except for a conservation patron license. The Act also specified that a Wisconsin resident that is a Purple Heart medal recipient may purchase a conservation patron license at a reduced fee of \$10. A nonresident that is a Purple Heart medal recipient may purchase a conservation patron license for the regular resident price of \$161. In fiscal year 2015-16, 1,163 Purple Heart licenses were issued to residents and 51 to nonresidents.

2013 Act 20 required the Department of Veterans Affairs (DVA) to issue a voucher for one resident small game hunting license, resident deer hunting license, resident archer hunting license, or resident annual fishing license to each person who applies for the voucher, is a qualified veteran (a veteran serving in certain specified war periods after September 11, 2001) and submits the voucher to DNR within one year of discharge. If DVA verifies that the applicant for a license is a qualified veteran, DNR is required to issue the license without charging a fee. The Act requires DVA to pay annually to DNR an amount that equals the total of fees and surcharges that have been waived by DNR for the licenses issued to voucher holders. In fiscal year 2015-16, DNR issued 33 licenses to voucher holders, including 19 resident gun deer licenses, eight resident annual fishing licenses, two resident archer licenses, two resident new buyer fishing licenses, one resident crossbow license, and one annual new buyer gun deer license. DVA paid DNR approximately \$700 to cover the cost of the licenses issued by DNR.

2011 Act 168 created an annual disabled veter-

an recreation card (\$7), which entitles the holder to the privileges under a resident small game hunting license and a resident fishing license. Prior to the Act, a disabled fishing license was available for \$7 and a disabled veteran fishing license was available for \$3, but there was no disabled small game license. In addition, the card also entitles the card holder's vehicle to enter a state park without an admission sticker and the card holder to use a state trail without paying an admission fee. The Act also created an additional disabled (Class D disabled) hunting permit that may be issued free of charge to any person with an amputation, or permanent substantial loss of function, of one or both arms, one or both hands, or one or both shoulders (Class A through D permits are issued to disabled persons holding the required corresponding hunting or fishing license).

Under 2011 Act 168, DNR is required to issue certain hunting, trapping, and fishing approvals at a reduced fee to persons who have not been issued that type of approval or a conservation patron or sports license in the 10 years before the license application. For residents, the fee for the reduced fee licenses is \$5 each (including the issuing fee) and for nonresidents, the fee is one-half the regular fee, rounded up to the nearest dollar. These first-time buyer licenses went on sale through the ALIS system on April 17, 2012. Table 2 shows the fees for licenses for non-first-time buyers, as well as the license fees for qualifying first-time buyers, and the number of licenses sold during fiscal year 2015-16 as reported by DNR's Bureau of Customer Service and Licensing. The wildlife damage surcharge is not applied to the first-time licenses.

Discounted licenses are also available to youth hunters. For example, a youth (or junior) gun deer license is available for \$20, whereas a resident gun deer license is \$24, and a resident youth annual fishing license is available for \$7, compared to a \$20 annual resident fishing license. In addition, a hunting mentorship program is also available to hunters age 10 and up, which allows hunting

Table 2: First-Time Licenses Sold: Fiscal Year 2015-16

	Statutory Fee	Issuing Fee	Wildlife Damage Surcharge	Total Fee for Non-First-Time Licenses	Total Fee For First-Time Licenses	Number of First Time Licenses Sold FY 2015-16
Resident						
Small Game	\$15.25	\$0.75	\$2	\$18	\$5	9,866
Senior Small Game	6.25	0.75	2	9	5	651
Youth Small Game	6.25	0.75	2	9	5	4,621
Deer	21.25	0.75	2	24	5	13,113
Youth Deer	17.25	0.75	2	20	5	7,335
Class B Bear	11.25	0.75	2	14	5	153
Archery	21.25	0.75	2	24	5	11,348
Youth Archery	17.25	0.75	2	20	5	4,448
Wild Turkey	12.25	0.75	2	15	5	19,048
Annual Fishing	19.25	0.75	0	20	5	61,331
Trapping	19.25	0.75	0	20	5	983
Nonresident						
Annual Small Game	\$82.25	\$0.75	\$2	\$83	\$42.75	2,875
Deer	157.25	0.75	2	158	79.75	3,763
Class B Bear	107.25	0.75	2	108	54.75	15
Archery	157.25	0.75	2	158	79.75	2,207
Fur-Bearing Animal	157.25	0.75	2	158	79.75	70
Wild Turkey	57.25	0.75	2	58	29.75	2,136
Annual Fishing	49.25	0.75	0	50	25.75	37,088
Trapping	149.25	0.75	0	150	75.75	5

without first completing a hunter education course although 10- and 11-year olds may only hunt under the mentorship rules even if they have completed hunter education. The mentored hunter must be accompanied by a licensed hunter, hunt within arm's reach of the mentor, and possess the appropriate valid hunting license, permits, and tags. Mentored hunters must follow all other hunting laws, seasons, and bag limits. Several special seasons for youth only are held throughout the year (for example, a youth deer hunt in October), which allow young people to hunt without competing against adult hunters. All other hunting regulations also apply to youth hunting. 2015 Act 100 prohibits a member of a group deer hunting party from using a youth deer tag issued to another member of the group deer hunting party to kill an antlerless deer for that other member.

Other Revenues

Voluntary Contribution for the Natural Resources Foundation of Wisconsin. 2011 Act 148

specifies that any person purchasing a hunting or fishing license, permit, stamp, or tag, a recreational vehicle registration (boat, ATV, UTV, or snowmobile), or a park vehicle admission, may also elect to make a voluntary contribution of at least \$2 to the Natural Resources Foundation of Wisconsin (NRF) to be used for an endowment program to support habitat management activities on land owned or managed by the state. The NRF is a publicly supported non-profit conservation organization governed by a board of private citizens under s. 501(c)(3) of the Internal Revenue Code. According to their mission statement, the NRF was formed in 1986 to boost private sector investment and involvement in state-managed natural resources -- waters, lands, and wildlife. The Act requires donations to be deposited in an appropriation in the fish and wildlife account from which DNR makes annual payments to the NRF under a memorandum of agreement (MOA).

Beginning on September 25, 2013, individuals buying a hunting or fishing license, permit, vehi-

cle admission sticker, or ATV, UTV, snowmobile, or boat registration through the Department's automated license system or vehicle registration system, could also elect to make a voluntary contribution of at least \$2 to the NRF endowment fund, known as the Cherish Wisconsin Outdoors Fund. In addition, beginning on December 18, 2013, individuals reserving a campsite through the Department's online campsite reservation system could also elect to make a \$2 contribution to the Cherish Wisconsin Outdoors Fund in addition to their camping reservation. In fiscal year 2015-16, after subtracting transaction fees, approximately \$81,300 was distributed to the NRF Cherish Wisconsin Outdoors Fund. Under the MOA, the NRF may access up to 20% of the fund principal in each of the first two years of the fund to utilize for marketing purposes. In addition, in order to maintain a modest fund balance, NRF officials indicate it is unlikely that any disbursements, other than those for marketing, will be made from the fund before 2017. It should be noted these fund transfers to NRF do not appear as revenues or expenditures in Tables 1 or 3.

Handling Fees. In addition to the statutory fees charged for hunting and fishing licenses, DNR may collect a handling fee for the approvals that the Department itself issues. The fee cannot be more than the amounts necessary to cover the costs of issuing the licenses. The Department previously charged a \$3 handling fee for licenses ordered with a credit card over the internet, or by mail (or previously by phone; licenses are no longer available by phone) from the DNR Madison office. DNR no longer charges the \$3 convenience fee for online transactions. Instead, a fee of 1.75% of the total transaction (which is used to cover credit card processing fees charged to the Department) is assessed which customers pay upon online checkout. All licensing agents may still charge and retain the \$3 fee for credit card purchases.

Go Wild Transaction Fees. DNR is statutorily required to pay each license sales agent 50¢ for

each transaction processed through the statewide license system. The Department treats this as a reduction to revenues.

Tribal Gaming Revenue Transfer. An additional source of revenue to the fish and wildlife account began in 1999-00 with an annual transfer of \$2.5 million (\$3 million since 2003-04) from tribal gaming compact revenues. This revenue is not statutorily designated for a specific purpose.

Other Recent Fish and Wildlife License-Related Legislation

2015 Act 98 allows a person to transfer the same types of approvals transferable to a minor to a disabled person (a person who holds a Class A, Class B, Class C, or Class D disabled hunting permit). In addition, the Act allows a person who holds a Class A bear license to transfer the license to a person awarded the Purple Heart or to an active-duty U.S. armed forces service member, if the person applies to DNR no later than 15 days immediately preceding the open season for bear hunting, and the Purple Heart recipient or service member has not been previously transferred a Class A bear license.

2015 Act 222 removes the requirement that DNR issue a back tag with the sale of licenses to hunt deer, elk, or bear. The Act also eliminates the requirement that the license holder attach a back tag to the center of their outermost garment where it can be clearly seen, and eliminates the back tag reservation system and the associated fee (\$4.50). The fee generated an average of \$8,400 per year from fiscal year 2012-13 through 2014-15.

2015 Act 363 requires DNR to issue a trolling permit, without charging a fee, to a person who produces a certificate from a licensed physician or optometrist stating that the person's sight is impaired to the degree that he or she cannot read ordinary newspaper print with or without corrective glasses. (Trolling is fishing where a fishing line is drawn through the water, such as behind a moving

boat and a permit allows trolling using an electric motor, regardless of any local ordinances that prohibit the use of motor boats.) This is in addition to trolling permits currently issued without a fee to persons with amputation or loss of an arm or who have a permanent substantial loss of function in one or both arms or hands.

Expenditures

General Account Expenditures. Fish and wildlife account revenues not statutorily designated for specific purposes are used to support the fish and wildlife management and law enforcement functions of the Department. Table 3 lists the major expenditure categories funded by the fish and wildlife account and identifies 2014-15 actual expenditures and the amounts appropriated for 2015-16 for each of these categories.

Fish Management. The Bureau of Fisheries Management undertakes various activities related to monitoring, maintaining and enhancing aquatic ecosystems and sport and commercial fisheries. Fisheries population and habitat surveys are conducted to monitor the status and health of the state's fisheries and aquatic habitat, and to evaluate regulation effectiveness and needs. Surveys yield data relating to fish population structure and harvests, which are used to develop and monitor management actions, prepare environmental impact statements, develop regulations for the sport fishing and commercial fishing industry, and assess waters on which Native Americans exercise their treaty rights. The surveys are also provided to the public for informational and planning purposes. In addition, DNR is responsible for Great Lakes fish management activities in Wisconsin waters of Lake Michigan and Lake Superior.

Fish propagation and stocking involves raising and distributing fish to enhance fishing in areas where natural reproduction is insufficient or being restored. DNR utilizes 17 facilities for fish propagation and stocking activities including eight cold-water (trout and salmon) facilities, three cool-

water facilities (primarily for walleye, muskellunge and bass), three dual-purpose hatcheries, and three spawning facilities where eggs from feral trout and salmon are collected. In addition, DNR complements these facilities with additional rearing ponds located throughout the state, and by contracting with private sector aquaculture to rear fish for stocking. These facilities are shown in Table 4.

During fiscal year 2015-16, DNR estimates it stocked inland streams and the Great Lakes with approximately 4.3 million cold-water fish, including 3 million trout species and 1.3 million salmon. In addition, inland lakes were stocked with approximately 10.5 million cool-water fish, which are sometimes referred to as warm-water fish. Cool/warm water fish stocks larger than fry, such as fingerling, yearling, and adult, included approximately 1.9 million walleye, 461,300 northern pike, 76,000 muskellunge, 579,000 largemouth bass, and 13,300 lake sturgeon. Primarily due to continued staff vacancies, the Langlade facility was closed in 2009 and the Lakewood facility in 2011.

Wisconsin Walleye Initiative. Included in 2013 Act 20, the Wisconsin Walleye Initiative provides funding from general purpose revenue (GPR) and conservation fund SEG-supported bonding to increase walleye production and stocking in the state through the Department, private fish farms, and municipal hatcheries, including those owned or operated by cities, villages, towns, counties or federally recognized American Indian tribes or bands in Wisconsin. The initiative included a total of over \$5 million GPR in the 2013-15 biennium and nearly \$3 million GPR annually to begin in 2015-16. However, 2015 Act 55 deleted \$1 million GPR annually beginning in 2015-16, bringing ongoing funding to \$1.9 million GPR annually. In addition, the initiative included \$8.2 million in existing conservation fund SEG-supported general obligation bonds enumerated in the 2013-15 capital development budget for increased walleye production at various state fish hatcheries. (Debt ser-

Table 3: Fish and Wildlife Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff*
Fish and Wildlife Program Appropriations				
Law Enforcement	\$14,958,300	\$16,919,100	20.4%	127.88
Fish Management	15,351,500	16,044,500	20.9	161.39
Wildlife Management	10,766,600	12,204,500	14.7	117.82
Car-Killed Deer	316,300	0	0.4	0.00
County Conservation Aids	149,400	148,500	0.2	0.00
Dedicated Revenue Appropriations				
Wildlife Damage Claims and Abatement Program	2,148,700	2,950,000	2.9	0.00
Wolf Depredation Program	297,900	0	0.4	0.00
Control of Wild Animals	405,100	304,300	0.6	2.00
Urban Wildlife Abatement and Control Grants	18,800	24,700	0.0	0.00
Venison Processing	108,800	300,000	0.1	0.00
Venison Processing (from donations)	0	14,800	0.0	0.00
Chronic Wasting Disease Management and Testing	0	0	0.0	0.00
Education and Safety Courses	204,700	219,200	0.3	0.00
Trapper Education	48,600	48,500	0.1	0.00
Commercial Fish Protection and Great Lake Surcharge	30,000	25,000	0.0	0.00
<i>Stamp Funded Programs:</i>				
Trout Habitat Improvement	1,648,200	1,389,700	2.2	8.09
Great Lakes Trout and Salmon	2,331,200	1,607,500	3.2	3.50
Sturgeon Habitat	345,800	196,400	0.5	0.00
Sturgeon Habitat-Inland waters	68,600	58,200	0.1	0.00
Pheasant Restoration	195,200	236,800	0.3	0.00
Pheasant Stocking	175,100	369,200	0.2	3.00
Wetlands Habitat Improvement	398,000	357,900	0.5	0.00
Wild Turkey Restoration	624,300	777,500	0.9	0.00
Canadian Agencies Migratory Waterfowl Aids	179,600	167,500	0.2	0.00
ALIS/Go Wild Contract fees	2,982,400	2,863,100	4.1	0.00
Voluntary Contribution - Lake Research	103,300	68,500	0.1	0.00
Miscellaneous	79,100	36,200	0.1	0.00
Split-Funded Appropriations				
Administration and Technology Services	4,962,800	5,704,900	6.8	42.66
Customer Assistance and Employee Services	3,664,500	3,636,200	5.0	30.00
Public Safety and Business Support Management	611,300	577,000	0.8	4.43
Land Program Management	488,400	452,800	0.7	3.16
Water Program Management	63,400	17,100	0.1	0.00
Bureau of Facilities and Lands	3,242,000	3,733,800	4.4	36.14
Bureau of Science Services	1,620,300	964,000	2.2	4.56
Bureau of Endangered Resources	547,100	472,600	0.7	4.56
Administrative Facility Repair and Debt Service and Recreation Debt Service	2,584,900	2,143,000	3.5	0.00
Aids in Lieu of Taxes	302,600	303,900	0.4	0.00
Resource Acquisition and Development	571,100	407,600	0.8	0.00
Taxes and Assessments	36,100	176,500	0.0	0.00
Rent and Property Maintenance	682,500	336,500	0.9	0.00
Handling Fees	<u>8,500</u>	<u>51,800</u>	<u>0.0</u>	<u>0.00</u>
Total	\$73,321,100	\$76,309,300	100.0%	549.19

*2015 Act 55 deleted 13.35 vacant positions beginning in 2016-17.

Table 4: Wisconsin's Fish Propagation Facilities

	County	Brood Stock	Hatching Facilities	Fish Rearing
Cold-Water Facilities				
Bayfield (Les Voigt)	Bayfield		x	x
Brule	Douglas			x
Lakewood*	Oconto			x
Langlade*	Langlade			x
Nevin	Dane	x	x	x
Osceola	Polk	x	x	x
St. Croix Falls	Polk	x	x	x
Thunder River	Marinette			x
Cool/Warm-Water Facilities				
Oehmcke	Oneida		x	x
Thompson	Washburn		x	x
Western District	Various	x	x	x
Dual-Purpose Facilities				
Kettle Moraine Springs	Sheboygan		x	x
Lake Mills	Jefferson		x	x
Wild Rose	Waushara	x	x	x
Spawning Facilities				
Besadny	Kewaunee	<i>feral trout & salmon</i>		
Root River	Racine	<i>egg collection</i>		
Strawberry Creek	Door			

*Temporarily closed.

vice on the \$8.2 million bonds would be expected at approximately \$625,000 annually once the bonds are fully issued, paid from the fish and wildlife account.)

The overall initiative increased stocking of large, or extended growth, walleye fingerlings (generally six- to eight-inch fish) from approximately 260,000 in fiscal year 2013-14 to more than 750,000 in 2016. In fiscal year 2014-15, DNR stocked approximately 721,700 (including 508,900 from DNR sources and 212,800 from non-DNR sources) large walleye fingerlings and approximately 767,000 in 2015-16 (including 527,600 from DNR sources and 239,400 from non-DNR sources).

Law Enforcement. DNR's responsibilities include the investigation and enforcement of laws relating to fish and wildlife, recreational vehicles,

environmental protection, water regulation, and shoreland zoning. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation. Conservation wardens share responsibilities with park superintendents and forest rangers for public conduct on state lands. When requested, wardens may assist local police and are authorized to respond when any crime is committed in their presence.

In 2015-16, a total of 9,360 natural resources citations, including hunting, fishing, and other conservation-related violations, outdoor recreation, and environmental violations, were issued by DNR conservation and environmental wardens, park and forest rangers, and other DNR staff. Enforcement activities include enforcement of hunting and fishing regulations, commercial fish and game activities, and treaty enforcement issues.

Wildlife Management. The Bureau of Wildlife Management works to protect and manage the wildlife populations and habitats of the state and promotes wildlife appreciation and recreational opportunities. Wildlife biologists and technicians manage and regulate various species, including deer, bear, geese, turkey, and waterfowl. Wildlife personnel also assist in the management of wildlife on private lands and take part in wildlife-related educational efforts.

DNR also operates the state game farm at Poynette, which raised approximately 75,000 game farm pheasants for stocking on public hunting grounds in fall 2016. Of the revenue generated by the sale of the pheasant stamp, 60% is statutorily designated to be used for pheasant stocking and propagation and 40% for wild pheasant restoration. In 2016, the state provided approximately 30,000 day-old rooster chicks to 35 conservation and sports clubs in 20 counties under cooperative

agreements. The wild pheasant restoration program revenues are used to develop, manage, restore, and maintain the wild pheasant population in the state.

Captive Wildlife Regulation

Under 2001 Act 56, which created Chapter 169 of the statutes, the authority to license, regulate, and inspect all of the state's approximately 400 captive deer and elk farms and related markets and movement in the state was transferred from DNR to DATCP on January 1, 2003. Under administrative rule ATCP 10, DATCP requires all deer farms to register, and approximately 113 farms with whitetail deer herds were licensed during license year 2016.

DNR retains responsibilities related to the inspection of fences for facilities containing farm-raised whitetail deer, and is authorized to charge an inspection fee. In addition to the deer farm fees charged by DATCP, DNR charges an inspection fee of \$50 for a fenced area under 80 acres and \$100 if the fenced area is 80 acres or more. Inspections typically occur every 10 years, and inspection certificates are valid until December 31st of the 10th year following certification.

Since January 1, 2003, the captive wildlife licenses and fees shown in Table 5 have been assessed by DNR. Licenses shown in the table are valid for one year, unless otherwise indicated. Captive wild animal farm licenses are for species other than cervids (deer or elk).

Elk Management. Under 2001 Act 109, DNR was provided the authority to establish an elk hunting season. The Department was also directed by Act 109 to establish an elk hunter education course, which would be a mandatory requirement prior to participating in an elk hunt. A limited bull-elk season is to be considered when population levels reach at least 200.

Table 5: DNR Captive Wildlife Fees

	Initial Cost	Renewal
Captive Wild Animal Farm License, Class A	\$200	\$100
Captive Wild Animal Farm License, Class B	50	25
Bird Hunting Preserve License, Class A	300	200
Bird Hunting Preserve License, Class B	200	100
Bird Dog Training License*	25	25
Bird Dog Trial License	25	25
Hound Dog Training License*	25	25
Hound Dog Trial License	25	25
Dog Club Training License	100	100
Wildlife Stocking License**	25	25
Wildlife Rehabilitation License*	Free	
Scientific Research License	25	25
Non-profit Educational Exhibition License	25	25
Nonresident Temporary Exhibition License**	50	50
Wild Fur Farm License*	50	50

*Valid for three years

**Valid for 30 days

Twenty-five elk were initially introduced near Clam Lake in 1995. The Department did not conduct spring calf searches in 2016, so precise population estimates were not available, but the Department estimates there were 130 pre-calving elk in Clam Lake in 2016. The DNR overwinter population goal for the Clam Lake herd is 1,400.

Fees for the elk hunting licenses are currently set at \$49 for residents and \$251 for nonresidents, including the issuing fee and \$2 wildlife damage surcharge, with a \$10 processing (application) fee. The processing fee was increased from \$3 to \$10 by 2009 Act 28, with \$7 deposited in a continuing appropriation in the fish and wildlife account specifically for elk management, and the remainder deposited in the general balance of the fish and wildlife account.

If the number of applications for an elk license exceeds the available number of permits, successful applications would be chosen on a random basis. Nonresidents would be eligible to receive 5% of elk hunting licenses remaining after 100 tags were provided to residents. The Department notes that due to a series of severe winters, the Clam

Lake herd has not reached earlier projected goals, and it is difficult to estimate when the herd might reach the level necessary to hold a hunting season.

In December, 2012, the Natural Resources Board approved a Wisconsin elk herd dispersal and expansion plan aimed at increasing genetic diversity in the existing herd, expanding the range for the existing herd, and introducing a new herd in the Black River State Forest in Jackson County. The original plan included: importing 275 wild elk with different genetic backgrounds than the existing herd likely from a growing elk herd in Kentucky; adding 200 of the imported elk to the Clam Lake herd; expanding the Clam Lake herd range by 508 square miles; and releasing 75 of the imported wild elk to establish a new elk herd in the Black River State Forest in Jackson County, northeast of La Crosse.

In December, 2014, the Department reached a five-year agreement with Kentucky that would provide Wisconsin with up to 150 wild elk, rather than the 275 elk recommended in the 2012 plan. Of the 150, 75 would be released in the Clam Lake herd range and 75 released to establish the Black River herd. The plan includes trapping Kentucky elk for up to five years, starting in 2015. Once trapping ceases each year, the elk are quarantined for a minimum of 120 days in both Kentucky and Wisconsin and tested for a variety of diseases. In the summer of 2015, the first group of 23 elk was released in Jackson County. As of spring, 2016, there were 14 elk in the wild in Jackson County, with another 39 in quarantine to be released later in the year.

According to the Department, \$500,000 has been pledged from partner groups including the Ho-Chunk Nation (\$100,000 from a federal grant and \$50,000 from Ho-Chunk funding sources), Rocky Mountain Elk Foundation (\$300,000 written pledge), and the Jackson County Wildlife Fund (\$50,000 written pledge). Should actual costs exceed \$500,000, Rocky Mountain Elk foundation has indicated they are willing to pro-

vide additional funding for the elk importation costs.

2013 Act 20 specifies that DNR may import and introduce the elk into Ashland, Bayfield, Jackson, Price, or Sawyer County if all of the following apply: (a) the elk are taken from the wild and not raised on a farm; (b) the purpose of importing or moving the elk is to protect, develop, or manage wildlife resources in this state; (c) DATCP determines that the applicable requirements related to chronic wasting disease under ss. 95.20 and 95.55(6) of the statutes are met to the fullest extent possible and practical with wild and free-roaming elk; (d) DNR tests each elk for tuberculosis and brucellosis before importing or moving the elk in accordance with the applicable DATCP disease testing requirements; and (e) DNR does not seek a reduction of road access to public lands in connection with importing, moving or introducing the elk.

In addition, 2013 Act 20 prohibits DNR from establishing an open elk hunting season that begins earlier than the Saturday nearest October 15. Prior to the Act, under administrative rule NR 10.01(3)(i), a limited bull-only elk season could have been held beginning on the Saturday nearest September 15, had the Department determined that the total Clam Lake elk herd population had reached a level of at least 200.

Wolf Management. The gray or timber wolf has existed in Wisconsin from the time the glaciers melted, about 10,000 years ago. In the early 1800's, at the time Europeans began settling Wisconsin, as many as 3,000 to 5,000 wolves may have existed in the area. A state bounty was placed on wolves in Wisconsin in 1865, and lasted until 1957. By 1950, less than 50 wolves remained in the northernmost part of Wisconsin. In 1957, wolves were listed as a protected species, but by 1960 they were considered extinct or extirpated. In 1967 and 1974, the U.S. Fish and Wildlife Service (USFWS) designated the eastern timber wolf a federally endangered species. In 1975, wolves

were listed as a state endangered species as they began to recolonize along the Minnesota border.

Intense monitoring of wolves in Wisconsin by DNR began in 1979. Attempts were made to capture, attach radio collars, and radio-track wolves from most packs in the state. In 1980, 25 wolves in five packs were counted in the state, but the number dropped to 14 wolves in 1985 due to disease. DNR completed a wolf recovery plan in 1989. The recovery plan set a state goal for reclassifying wolves as threatened once the population remained at or above 80 for three years. In the 1990's, the wolf population grew rapidly, and DNR completed a new management plan in 1999. This management plan set a delisting goal of 250 wolves in late winter outside of Indian reservations, and a management goal of 350 wolves outside of Indian reservations. In 1999, wolves were reclassified to state threatened status when DNR estimated there were 205 wolves in the state. In 2004, wolves were removed from the state threatened species and were reclassified as a protected wild animal when 373 wolves were estimated in the state. Beginning in 2013, DNR began a process to update the 1999 plan, but stopped work on any revisions after the December, 2014, federal relisting of the gray wolf. DNR reported that Wisconsin had an estimated population of between 866 and 897 animals in late winter 2015-16, up from 746 to 771 in late winter 2014-15 and 660 to 689 animals in late winter 2013-14.

On December 19, 2014, in response to a lawsuit brought against the USFWS, the Federal District Court for the District of Columbia vacated the 2012 USFWS decision delisting gray wolves in the western Great Lakes. (Wisconsin delisted the gray wolf in 2004, and as of January 27, 2012, the gray wolf had no longer been a federally listed endangered species in Wisconsin and other parts of the western Great Lakes region.) The ruling returned gray wolves in the western Great Lakes region, including Wisconsin, to the federal endangered species list.

The implications of the ruling in Wisconsin include the following: Wisconsin is not authorized to implement a wolf harvest season; permits allowing lethal removal of wolves by landowners experiencing wolf conflicts are no longer valid; DNR is generally not authorized to use lethal control as part of its wolf management program (non-lethal tools and depredation compensation remain available); landowners may not kill wolves in the act of attacking domestic animals; and under federal law, dogs may not be trained or used to track wolves. Further, under state law, after December 19, 2014, DNR may not use segregated fish and wildlife account revenues from wolf application and license fees to support the depredation and management program.

If the gray wolf is not listed on the U.S. list of endangered or threatened species or the Wisconsin list of endangered and threatened species, DNR must allow and regulate the hunting and trapping of wolves, implement a wolf management plan, and may limit the number of wolf hunters and trappers and the number of wolves that may be taken by issuing wolf harvesting licenses. If the number of qualified applications for wolf harvesting licenses exceeds the number of licenses that are available, DNR must issue 50% of the licenses by selecting applicants at random, and 50% based on a cumulative preference system. DNR is also required to hold a single season for both hunting and trapping wolves that, as specified by 2015 Act 285, begins on the first Saturday in November (previously October 15th) of each year and ends on the last day of February of the following year.

2011 Act 169 became effective April 17, 2012, and established a wolf harvest season, and specified that revenues from the licenses (currently \$49 resident and \$251 nonresident) and application fees (\$10) are deposited in the segregated fish and wildlife account to be used to administer a wolf depredation program. Wisconsin's first wolf harvest season under Act 169 began on October 15, 2012. The Department set a total quota of 201 wolves to be harvested during the initial wolf har-

vest season, with specific quotas in each of six DNR-established zones. Zones in which wolf depredations had been highest were assigned the highest quotas, and DNR has the authority to issue an emergency closure in any zone that reaches its quota. For the initial season, over 20,000 applications were received for the 1,160 harvest permits authorized by DNR for a non-tribal harvest goal of 116. An 85 wolf harvest goal was allocated to the tribes in the ceded territories, though no wolves were harvested by the tribes. DNR reported that during the initial 2012 season, 117 wolves were taken through licensed harvest, with the season closing on December 23, 2012. Annual seasons occurred for three years (through 2014).

Deer Management. Deer hunting licenses are a primary source of revenue to the fish and wildlife account. These licenses primarily include gun deer licenses and archery licenses issued to residents, nonresidents, and youths ages 12 to 15. In fiscal year 2014-15, revenue from resident and nonresident gun deer licenses, including those issued to resident youths ages 12 to 15, totaled approximately \$13.9 million, or 18.7% of revenues to the fish and wildlife account, while resident and nonresident archery and crossbow licenses generated approximately \$5.8 million, or 7.8% of account revenues. Additional revenues were generated from mentored deer licenses issued to 10- and 11-year olds and duplicate licenses, as well as licenses issued to first-time buyers as shown in Table 2 and other discounted licenses.

Kroll Report. On October 1, 2011, DNR entered into a Memorandum of Understanding (MOU) with the Department of Administration (DOA) to cover expenditures associated with a deer trustee, Dr. James C. Kroll, and two other deer management experts, David C. Guynn, Jr. and Gary L. Alt, for a study of white-tailed deer management in Wisconsin. In July, 2012, Kroll et al. released a report entitled, "Final Report and Recommendations By Wisconsin White-Tailed Deer Trustee and Review Committee." Overall, the report encouraged DNR to increase public in-

volvement in deer management, particularly by landowners, hunters, and the 11 tribes of Wisconsin. The report made a number of recommendations including recommendations related to: (a) deer population management; (b) hunting regulations and seasons; (c) predator management; (d) chronic wasting disease management (discussed later); (e) development of a Deer Management Assistance Program (DMAP); (f) recommendations related to DNR research topics, including deer habitat, forest health, and public opinion; and (g) technological needs, as the report recommended a statewide geospatial information system be developed in Wisconsin to aid in land management.

Beginning with the fall 2014 deer hunting season, the Department began implementing recommendations of the Kroll report, including eliminating the traditional deer management units (DMUs) and replacing them with DMUs based on tribal reservation boundaries and counties (smaller metropolitan subunits remain in place). Separate units for state park properties were also eliminated. The report also recommended moving from numerical deer population goals to deer population objectives (maintain, increase, or decrease the population) within each DMU, which the Department began establishing with the 2014 season. 2013 Act 20 specified that DNR may promulgate emergency rules to implement the recommendations in the deer trustee report. The emergency rule package became effective in March, 2014, and the rules are now permanent.

In an effort to provide for more public input on deer management issues and to give stakeholders greater responsibility in managing local deer numbers, in 2014 the Department established County Deer Advisory Councils (CDACs) in all 72 counties. (Menomonee County coordinated a CDAC; however, the CDAC has never met.) The CDACs include representatives from agriculture, forestry, transportation, tribes, hunters, the Conservation Congress, DMAP, tourism, and local government stakeholders. Councils met in Sep-

tember, October, and December, 2014, to provide a three-year population objective recommendation to the Department (increase, decrease, or maintain). They also continue to meet each spring to recommend antlerless deer harvest quotas for deer hunting seasons and to consider various strategies to meet population objectives. While there are no set membership terms, the Department indicates that a three-year commitment is preferred.

Current Deer Hunting Seasons. As recommended by the Kroll report, beginning in 2014, the number of deer management units was reduced to 76, including 72 counties and four tribal units, rather than more than 100 units under the former traditional DMU structure. Also beginning with 2014, the state is divided into four deer management zones: northern forest, central farmland, central forest, and southern farmland. Permit availability differs within each zone to account for variations in deer habitat types. As recommended by the Kroll report, DNR continues to limit hunters to one buck per gun deer license; each deer hunting license (archer, gun, and crossbow) is valid for one buck statewide, with hunters who purchased both archer and crossbow licenses issued only one buck tag for the two licenses. Additionally, each hunter may receive one free antlerless tag with each deer hunting license for use in any DMU located in either the central or southern farmland zone.

Modernizing the current check station and paper forms used for reporting deer harvested was also recommended by the Kroll report. In 2014, all deer hunters were still required to register harvested deer in-person at a registration station, but the Department began testing other registration methods and selecting hunters randomly to participate using various automated registration methods. Beginning in 2015, all deer and bear registration is completed electronically, either by telephone or online. However, many businesses continue to serve as a registration station if the business provides a computer station or telephone open to the public. Stations also continue to operate as chronic

wasting disease sample collection stations.

Beginning with the 2014 season, the Department began selling bonus antlerless tags that specify the deer management zone, county/unit, and the type of land, public or private, where they are to be used; in the past, bonus antlerless tags could be used across various units and could be used on either private or public land. Lands privately owned but open to public hunting under the managed forest law program are considered "public land" for the purposes of the bonus tags, meaning private land bonus tags may only be used on "closed" managed forest law (MFL) lands and public bonus tags may only be used on "open" MFL land. For the 2016 season, the Department made available 159,650 bonus antlerless deer tags for purchase beginning in mid-August, including 136,875 private land and 22,775 public land tags. All bonus antlerless tags are \$12, including in counties with CWD restrictions in place, with the exception of reduced-price DMAP bonus antlerless tags, available for \$6 (discussed later). The limit on public antlerless tags is intended to limit the antlerless harvest on heavily-hunted public lands in an effort to increase deer sightings by hunters on these properties.

Crossbows. 2013 Act 61 eliminated the age and disability requirements for using a crossbow. Instead, the Act requires that, if DNR establishes an open archery season for a species, it must also open a crossbow season for hunting the same species. The Act requires the crossbow season to be concurrent with the archery season for that species for the 2014-15 and 2015-16 hunting seasons, and after those two seasons, the crossbow season dates could be changed by the Department through administrative rule. The Act also allows a hunter who holds an archery license that purchases a crossbow license or a hunter who holds a crossbow license to purchase an archery license at a reduced fee of \$3.00. Resident hunters under 18 years of age may purchase a crossbow license at a reduced rate (similar to the junior archery license) and Act 61 provides that the fee for a duplicate of

a reduced-fee archery or crossbow license may not exceed the original reduced fee.

Other recent acts have limited local government regulation of archery hunting. 2015 Act 55 specifies that if a local governmental unit has in effect on or after the effective date of the Act, a restriction that prohibits a person from hunting with a bow and arrow or crossbow within the jurisdiction of that local governmental unit, the restriction does not apply and may not be enforced. 2013 Act 71 provides, with certain exceptions, that a local governmental unit may not enact or adopt a restriction that prohibits a person from hunting with a bow and arrow or crossbow within the jurisdiction of that local governmental unit. The Act 55 provision invalidated ordinances adopted prior to the effective date of the Act, including ordinances adopted prior to 2013 Act 71 becoming effective in 2014, that prohibited bow hunting.

Chronic Wasting Disease (CWD). Chronic wasting disease is a prion disease that affects North American cervids such as deer and elk. The known natural hosts of CWD are mule deer, white-tailed deer, elk, and moose. In 2002, DNR detected CWD in white-tailed deer, the state's first documented case of CWD.

The current CWD-affected area includes counties where baiting and feeding are prohibited; a county is included in the ban if a wild or domestic animal has been confirmed to be positive for CWD in the county, or if the county is within a 10-mile radius of a wild or domestic animal that has been confirmed to have CWD. The 43 counties considered "CWD-affected counties" include: Adams, Barron, Burnett, Calumet, Clark, Columbia, Crawford, Dane, Dodge, Eau Claire, Forest, Grant, Green, Iowa, Jackson, Jefferson, Juneau, Kenosha, Lafayette, Manitowoc, Marathon, Marquette, Menomonee, Milwaukee, Oconto, Oneida, Polk, Portage, Racine, Richland, Rock, Sauk, Shawano, Sheboygan, Vernon, Vilas, Walworth, Washburn, Washington, Waukesha, Waupaca,

Waushara, and Wood.

In September, 2010, the Natural Resources Board approved a 15-year revised CWD response plan to extend to 2025. DNR concluded that the Department must accept a CWD-endemic area in southern Wisconsin and focus CWD control efforts on limiting CWD to that area of the state. This represented a departure from the Department's initial (2002) goal of complete eradication of CWD from Wisconsin.

In addition, the Kroll report recommended DNR take a more passive approach to managing CWD, and current rules reflect the passive approach to CWD management by establishing deer seasons in CWD-affected areas that are similar to those in other areas of the state.

County Deer Advisory Councils (CDACs) make recommendations on whether the deer herds in CWD-affected counties should be increased, stabilized, or decreased for future deer seasons. In making their recommendations, one of the items the CDACs consider is the impacts of disease as DNR provides current information on CWD in Wisconsin. CDACs may also make recommendations on herd control options such as the bonus buck provision when the county herd objective is to decrease or stabilize the herd.

In May, 2016, the Governor announced the following steps were being taken to update the CWD response plan: seeking input from hunters, landowners, farmers, and foresters in every county using the CDACs; directing DNR to conduct a comprehensive study of deer population dynamics; creating best management practices for the deer farm industry [a responsibility of DATCP]; conducting more frequent fence inspections; and developing quicker test results for hunters.

As stated in the 2010 plan, the Department will conduct management program reviews after the conclusions of the 2015, 2020, and 2025 deer seasons to assess progress towards meeting the plan's

established goals and objectives. The response plan has six key objectives and 24 associated action items to reach the goal of minimizing the area of Wisconsin where CWD occurs and the number of infected deer in the state. The Department is currently finalizing an internal review of the first five years of the plan. According to the Executive Summary of the plan review report, dated August, 2016, during the 2010-2015 timeframe, the Department acted upon 22 of 24 action items to varying degrees. The summary states, "The CWD Response Plan goal is to 'minimize the area of Wisconsin where CWD occurs and number of infected deer in the State', however, the number of CWD positive detections, and distribution of disease detections, has increased over the 5-year timeframe." It also notes, "Funding limitations and social/political factors influenced the ability of the Department to fully implement the plan and effectively respond to CWD." As of December, 2016, a full report of the internal review has not been released.

The Executive Summary was among materials provided to members of the CWD Response Plan Review Committee and is available on the Department's website at <http://dnr.wi.gov/topic/wildlifehabitat/cwdplan.html>. The Committee consists of members of several governmental agencies and partner organizations with an interest in CWD management. This review process is being coordinated by DNR, the Wisconsin Conservation Congress (WCC), and DATCP. The Committee was expected to meet three times during fall, 2016, after which the Committee will produce preliminary CWD management recommendations for the next five years. These recommendations will be made available for public comment and be provided to CDACs for consideration and feedback. The public and CDAC feedback will be discussed at a meeting in early 2017 to prepare final committee recommendations. The sponsor team (DNR, DATCP, and the WCC) will review and consider the Committee recommendations for future management actions.

Also, beginning in fall, 2016, the Department began a five-year study, the "Southwest Wisconsin CWD, Deer, and Predator Study," to examine how factors including predation, hunting, disease, and habitat impact deer survival and deer populations. The study includes two areas in southwestern Wisconsin each covering approximately 250 square miles: an area in northeastern Grant and western Iowa County with a low prevalence of CWD; and an area in northeastern Iowa and northwestern Dane County with a high prevalence of CWD. Beginning in fall, 2016, the Department plans to begin trapping and collaring approximately 30 coyotes and 30 bobcats. Beginning in January, 2017, DNR research crews will capture deer for the study, take tissue samples and health measurements, equip the deer with GPS collars, and then release them back into the wild. DNR indicates they plan to collar 100 bucks, 100 does, and 100 fawns each year of the study. Goals of the study include to: measure the survival rate of deer and record causes of death due to predators, hunting and other factors; gather data on deer health such as CWD rates, pregnancy rates, litter size, and nutritional condition; estimate the abundance and distribution of coyotes and bobcats in the area; and gather information on food availability and its impact on deer nutrition.

According to the Department, approximately 10 permanent staff will be working on the study as a portion of their work duties, and the Department plans to hire approximately 15 to 20 limited-term employees for study work. DNR plans to utilize federal Pittman-Robertson funds from a federal excise tax on firearms and ammunition to cover the estimated \$3 million cost of the five-year study. Wisconsin received an apportionment of \$20.98 million in Pittman-Robertson funds in federal fiscal year 2015-16 out of a total apportionment of \$695 million. Federal funding has increased in recent years due to higher sales of firearms and ammunition. For example, Wisconsin received between \$7 and \$10 million a year in Pittman-Robertson from federal fiscal year 2004-05 to 2008-09, and more recently received \$23.4

million in 2013-14, and \$24.9 million in 2014-15.

Regarding CWD test results, the Department indicates that each hunting season DNR aims to improve test turnaround time by becoming more cost- and time-efficient. To improve testing efficiency, in 2016 DNR plans to: increase the frequency of shipments from the DNR CWD processing facility to the Wisconsin Veterinary Diagnostic Lab where final test results are determined; operate a mobile processing unit at the Barneveld CWD sampling station to expedite results turnaround time for hunter harvest from within the deer and predator research project area; conduct a hunter self-sampling testing pilot; and expand CWD self-service sample drop-off sites. DNR piloted seven drop-off sites in 2015 and has 34 for the 2016 deer season. The sites offer an expanded timeframe for hunters to leave deer heads for DNR sampling, versus limited hours at DNR-staffed sampling stations.

Deer Management Assistance Program. The Kroll report recommended the development and implementation of a Deer Management Assistance Program (DMAP) in Wisconsin. According to the report, "the primary goal of most DMAPs is to allow landowners and hunters to work together with the state agency to manage deer on a site-specific basis." At the time of the report, twenty states "utilize(d) DMAPs to facilitate deer management on private lands at the local level by involving landowners and hunters." These programs vary by state, and may involve both public and private lands. Participation is voluntary and is generally open to landowners, groups of landowners, or organizations such as a hunting club (some states have minimum acreage requirements). Landowners and the state agency (in this case DNR) work together to establish a goal of whether to increase, stabilize, or decrease, the deer population on the property enrolled in a DMAP. These objectives are then accomplished through habitat improvement recommendations and the issuance of DMAP antlerless tags. The tags are valid only on the enrolled property, may not be used for ant-

lered bucks, and are issued to the landowner who distributes them to individual hunters.

2013 Act 20 required DNR to establish a DMAP. Under this program, DNR is required to provide deer management assistance to participating landowners. Further, the Department is required to provide a method for collecting information from participating landowners about deer health and the deer population in Wisconsin and for receiving suggestions from participating landowners about managing the deer population. DNR must analyze the information received and use it to improve deer health and manage the deer population in Wisconsin. The Act also required DNR to promulgate administrative rules to implement the program. The Act specifies that DNR may establish enrollment fees for participation in DMAP to be deposited in a newly-created continuing appropriation in the fish and wildlife account to be used for administering DMAP.

In February, 2013, DNR was provided 1.0 FED position for a DMAP coordinator which the Department hired in September, 2013. DNR established three levels of participation in the DMAP, as summarized in Appendix III. There is no fee for participation at level one; the fee for level two enrollment (minimum of 160 acres enrolled) is \$75 and the fee for level three enrollment (minimum 640 acres) is \$150. Landowners are encouraged to develop group cooperatives to facilitate working together and qualifying as a higher DMAP level. Application fees cover a three-year period of enrollment. The deadline for enrollment for a given year is March 1 of that year; applications received after March 1 will be considered for enrollment in the following year. The agreement will terminate on February 28, three years following the year of enrollment; for example, if the applicant applied by March 1, 2015, the termination date would be February 28, 2018, whereas if the applicant applied on March 2, 2015, the termination date would be February 28, 2019.

The Department notes that Wisconsin's DMAP

is different from some states by providing habitat improvement recommendations for all wildlife species, including deer. The program recognizes the fact that habitat improvement recommendations for deer will benefit a variety of game and non-game wildlife species. DNR staff work closely with private landowners to assist them with achieving their property goals. Following a site visit(s) by a DNR biologist and forester, the landowner is provided a written management plan for the property.

Beginning in 2015, public lands may be enrolled in DMAP. Public lands enrolled in DMAP may include any federal, state, county or municipal land open to the public. Managed Forest Law (MFL) lands are considered private lands for DMAP purposes. To apply, the agency or municipality with property management authority completes an online DMAP application and designates an individual as the authorized representative for the enrolled property. A Department biologist schedules a site visit with the authorized representative and Department forester to complete a habitat assessment and discuss habitat improvement projects and deer herd management options that will help achieve property management goals. Managers do not need to enroll an entire property, but may choose to identify specific areas of the property to enroll. Public lands can enroll in DMAP at no cost and agree to participate in the program for a three-year time period. DNR, based on information obtained during the site visit, may issue antlerless tags for the public DMAP lands. A list of public lands enrolled in DMAP, property maps and regulations and tag availability and purchase instructions will be made available to the public in advance of each deer hunting season. Antlerless tags will be sold by the Department for \$6.

Car-Killed Deer. In fiscal year 2014-15, DNR spent \$316,300 fish and wildlife SEG on contracts for removal of deer from state and local roadways. Funding for the 2015-17 biennium is disclosed in a separate section on forestry account expendi-

tures.

County Conservation Aids. Under this program, counties and tribal governing bodies may apply for grants of up to 50% of the costs of county fish and game management projects. Eligible game projects include game food seeding, browse improvement cutting, prescribed burning, and the creation of game cover brush piles, impoundments and nature trails. Examples of eligible fish management projects include lake and stream improvements, rough fish control, construction of fish shelters, and streamside fencing. Funding of \$148,500 is provided in 2015-16.

Dedicated Account Expenditures. Dedicated revenues support habitat and monitoring efforts for particular species, wildlife damage programs and license handling and issuance.

Hunting and Fishing Stamps. In order to hunt or fish certain species, a person must purchase a stamp in addition to a license. Revenue from the sale of these stamps must be utilized exclusively for habitat and propagation projects for the benefit of the respective species. Currently, five stamps are required:

- waterfowl
- wild turkey
- pheasant
- inland waters trout
- Great Lakes trout and salmon

2005 Act 25 created a sturgeon hook and line tag, with a fee of \$20 for residents and \$50 for nonresidents. The tag is required in addition to any other license under current law, such as a fishing license. Revenues from the sturgeon hook and line tag are used for assessing and managing lake sturgeon stock in inland waters. The Act also created a resident two-day trout fishing license for use on inland lakes only, priced at \$14. Individuals on lakes with the two-day license are not required to purchase a fishing license or inland waters trout stamp to fish for lake trout. In addition to sturgeon hook and line tags, a sturgeon spearing license is

also available. The fee for a sturgeon spearing license is currently \$20 for residents and \$65 for nonresidents. 2011 Act 168 reduced the minimum age for a person to obtain a sturgeon spearing license from age 14 to age 12. A person need not hold a valid fishing license to be issued a sturgeon spearing license. The privileges of the sturgeon spearing license are not included for holders of conservation patron licenses.

Effective April 1, 2014, 2013 Act 64 changed the cumulative preference system for issuing sturgeon spearing permits. Under the Act, an applicant may apply for a sturgeon spearing permit or a preference point each year, whereas under prior law, an applicant was issued one preference point for each season that he or she applied for but did not receive a permit. This is consistent with the preference point system used for fishers, otters, and bobcats. The Act also changed the beginning of the period in which the holder of a sturgeon spearing license may transfer their license to a minor from November 1 to October 1 of each year. Revenues from the sale of sturgeon spearing licenses are directed toward the cost of administering the license, assessing and managing the lake sturgeon stock and fishery, and improving and maintaining lake sturgeon habitat.

Wildlife Damage Programs. Bonus Deer Permit and Wildlife Damage Surcharge. A \$2 surcharge is added to most resident and nonresident hunting licenses to fund wildlife damage program activities including:

- resident and nonresident deer
- resident and nonresident elk
- resident and nonresident Class A bear licenses
- resident and nonresident archer
- resident and nonresident turkey
- resident and nonresident annual small game
- resident and nonresident sports
- nonresident five-day small game
- nonresident fur-bearing animal hunting

A \$4 surcharge is included for most resident

and nonresident conservation patron licenses. The wildlife damage surcharge generated approximately \$2,069,200 in 2014-15.

Also, revenue from the \$12 (\$20 nonresident) bonus deer permit is used to fund wildlife damage programs. Resident and nonresident bonus deer permits generated \$915,000 during 2013-14, with \$226,100 of that amount available for chronic wasting disease management (discussed later), meaning total wildlife damage revenues available were approximately \$2.76 million.

Revenue from the wildlife damage surcharge and bonus deer permits is utilized for three programs related to wildlife damage: (a) the wildlife damage claims and abatement program; (b) control of wild animals; (c) the urban wildlife abatement and control grant program; and (d) venison processing donation costs. Current law specifies that if the total amount of damage claimed is greater than available revenues, after paying for administration and urban abatement, venison processing, and wildlife control activities, the Department is first required to prorate agricultural damage claim payments.

2015 Act 55 deleted the Class B bear license and increased the Class A bear application fee from \$3 to \$4.50, and also clarified that the 25¢ issuing fee applies to the Class A bear license. A Class A bear license is required to hunt (harvest) bear and a Class B bear license (\$14 resident and \$110 nonresident) was previously required to pursue bear. The application fee for a Class A bear license or a preference point was \$3, including the 25¢ issuing fee. Under the Act, a Class A bear license application fee is \$4.50, including the 25¢ issuing fee and no license is required for a person to engage in any of the activities in which the holder of a Class B license was previously allowed to engage.

Venison and Wild Turkey Processing. Under 2001 Act 16, a monetary donation program was created allowing any applicant for a deer, bear,

turkey, or small game hunting license to make a voluntary contribution of at least \$1 for the venison processing donation program. 2015 Act 31 expanded the program to include wild turkey donation. At the time of printing, the Department was working with counties to implement the turkey donation program and indicated that the goal is to have the program operational by the 2017 spring turkey hunting season. In fiscal year 2015-16, \$69 was donated for venison processing. Effective November, 2013, DNR no longer includes a prompt asking those purchasing a hunting license to make a donation for venison processing; instead the Department has chosen to include only the Cherish Wisconsin donation prompt for hunting licenses (see *Voluntary Contribution for the Natural Resources Foundation of Wisconsin*). Some 49,000 pounds of meat was distributed to food pantries in 54 counties from 1,228 deer donated during the fall of 2015, compared to 65,000 pounds from 1,622 deer the previous fall. In fiscal year 2015-16, DNR expended \$86,300 (and encumbered an additional nearly \$198,000) for county venison processing costs and administration of the deer donation program. In the 2015-17 biennium, \$300,000 is appropriated each year for county venison processing costs and administration of the deer donation program.

Wildlife Damage Claims and Abatement Programs. These programs provide landowners in participating counties with financial assistance to implement projects to reduce crop damage and partially reimburse losses incurred from wildlife damage to crops. In calendar year 2015, 70 counties participated in the programs. Counties may participate in one or both of the wildlife damage abatement program, which emphasizes damage prevention but provides no payments for damages incurred, or the wildlife damage claims program. In fiscal year 2014-15, approximately \$854,900 was expended for damage claims, \$992,800 for county administrative costs, and \$301,000 for abatement projects.

Under these programs, DNR assists participat-

ing counties in developing and reviewing administrative plans. The state fully funds DNR-approved county administrative costs. Approved abatement projects are eligible for state funding of up to 75% of costs, with the remaining share paid by the landowner. Landowners in counties that administer both the abatement and damage claims programs are eligible to file claims for damage to agricultural crops, harvested crops, orchard trees, nursery stock, beehives or livestock if the damage is caused by deer, bear, geese or turkey. Cougar damage is also eligible for compensation under the program. However, no claims related to cougar damage have been filed to date. Damage caused by sandhill cranes would also be statutorily included, if a hunting season were established.

Elk damage is also eligible, if the Department has promulgated a rule that establishes a season for hunting elk. With the 2008 publishing of an administrative rule governing an elk season, the Department made elk damage eligible for the program despite the elk population not reaching the level necessary to establish a hunting season. Claims paid for elk damage totaled approximately \$700 in calendar year 2013, \$400 in calendar year 2014 and \$0 in calendar year 2015. However, with the introduction of the Jackson County elk herd, concerns have been raised regarding damage to cranberry marshes in the area. DNR indicates there are 16 cranberry marshes likely to be impacted, and the Department is currently working with landowners to enroll them in an abatement program (fencing) to prevent future crop losses. While the damage program would cover up to 75% of fencing costs for damage abatement claims, DNR has pledged to cover the remaining 25% of eligible fencing costs from general wildlife management program funding (fish and wildlife account), if the landowners enroll in the abatement program by December 31, 2016. As of October, 2016, Jackson County had installed fences on five cranberry farms at an estimated cost of approximately \$244,000. DNR is expected to reimburse the county for eligible costs by June 1, 2017.

2009 Act 28 made a number of changes to wildlife damage claims payments to address a potential deficit in the wildlife damage appropriation. The Act increased the deductible for each wildlife damage claim from \$250 to \$500. If a claim is more than \$500, but not more than \$5,250, the claimant is paid 100% of the claim. If a claim is greater than \$5,250, a claimant can receive 80% of the amount of the claim up to the statutory maximum. However, Act 28 reduced the maximum amount paid per claim from \$15,000 to \$10,000. If the total amount of damage claimed is greater than available revenue after paying for administration and abatement, the Department may prorate claim payments.

A person receiving a wildlife damage claim payment is required to permit hunting of the type of wild animals causing the damage on that land during the appropriate open hunting season. However, a hunter must first notify the landowner of his or her intent to hunt on the land, and a landowner may deny a hunter access to land for reasonable cause related to certain safety and property-related concerns. In addition, a landowner may deny a hunter access if at least two hunters per 40 acres of eligible land are present on the land when the hunter notifies the landowner that he or she intends to hunt on the land.

Generally, persons receiving abatement assistance are required to follow the same standards allowing hunting as wildlife damage claim recipients. However, a person who receives wildlife damage abatement assistance is not required to open their land to hunting if: they are issued a shooting permit for deer causing damage; that permit is the only abatement measure the person receives; and the person waives any eligibility to receive a wildlife damage claim payment for damage caused by deer.

Further, 2011 Act 280 specifies that the requirements to allow hunting do not apply to a person seeking wildlife damage abatement assistance, or wildlife damage claim payments, for damage

caused by cougar.

Wolf Depredation Program. The wolf damage program provides payments to persons who apply for reimbursement for damage caused by wolves to livestock, hunting dogs (other than those used in wolf hunting), and pets. Damage payments only apply if the wolf is not listed on either the federal or state lists of endangered and threatened species. Prior to 2011 Act 169, the Department paid wolf damage claims (and claims for damage caused by other threatened or endangered species) from the endangered resources program. Under current law, if the gray wolf is on the federal endangered species list, DNR may use the segregated endangered resources account and the GPR appropriation used to match certain endangered resources voluntary contributions to pay claims for damage associated with gray wolves. The Department may also utilize federal funds from a USFWS livestock demonstration grant for wolf depredation payments.

Eligible calendar year 2014 wolf damage claims, paid in state fiscal year 2014-15, and primarily for claims while the gray wolf was delisted as an endangered or threatened species, totaled \$138,700, of which \$120,600 was paid from wolf harvest license and application revenues and \$18,100 from federal grant funds. DNR may use any license-related revenues remaining after damage and control payments for management and control of the wolf population in the following fiscal year. However, the Department may only expend moneys under this program for management and control activities during a period of time when the wolf is not on the federal or state endangered list. Approximately \$170,000 was available for wolf management and control activities in fiscal year 2014-15, which was utilized for management and control activities through December 18, 2014. Calendar year 2015 wolf damage claims totaled approximately \$200,500, of which \$181,900 was paid from USFWS livestock demonstration grant funding and the remainder from endangered resources SEG and GPR in

2015-16.

DNR was also required by 2011 Act 169 to establish maximum damage payments depending on the type of animal affected. These have been promulgated as emergency rules under NR 12.60 to 12.65. However, with the relisting of the gray wolf, DNR indicates certain maximums no longer apply, such as a cap on the number of missing calves a producer may be compensated for. The Department is currently managing the wolf damage program under administrative code sections NR 12.50 through 12.55, under the Endangered/Threatened Wildlife and Gray Wolf Damage program. These sections specify the procedure for depredation reimbursement as well as the amount of payments. Generally, a claimant is reimbursed the fair market value of livestock, with a maximum amount paid for each type of animal established annually by DNR.

2015 Act 55 deleted \$249,000 annually from the conservation fund appropriation for the deposit of all moneys received from wolf harvesting licenses and application fees. No revenues were anticipated in 2015-17 related to a wolf hunting season due to delisting of the gray wolf. (The statutory authority remains but the appropriation is estimated at zero in each year.)

Control of Wild Animals. The wildlife damage surcharge revenue is also used for the Department's costs of removing wild animals that cause damage, and responding to complaints about nuisance wild animals, or their structures. DNR contracts with the United States Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) Wildlife Services to control and manage wildlife causing damage. In 2014-15, \$405,100 was expended for this purpose from wildlife damage revenues. In addition, 2011 Act 32 provided \$113,300 annually from general fish and wildlife SEG for management of nuisance wildlife, primarily black bear and birds, such as Canada geese. Further, 2005 Act 287 directed the Department to, in cooperation with federal agen-

cies, administer a program to control and manage double-crested cormorants, nesting primarily in Green Bay, to reduce wildlife damage caused by these birds. No appropriation specifically for this purpose was made by the Act.

Urban Wildlife Abatement and Control Grants. Urban communities can apply to DNR for matching grants of up to \$5,000 for planning wildlife abatement projects and for wildlife control efforts. The program provides up to 50% of project costs, and \$18,800 was expended under the program in 2014-15. The program is funded at \$24,700 each year in the 2015-17 biennium.

Chronic Wasting Disease (CWD) Management and Testing. 2013 Act 20 created an appropriation for CWD management and testing funded by a portion of the proceeds of bonus antlerless tags sold in CWD-confirmed areas. Fees became effective with the fall 2014 deer season. In fiscal year 2014-15, fees generated \$226,100 in revenue but no expenditures were made from the revenues. In the past, funds have been spent for herd monitoring and sampling, law enforcement and wildlife management staff costs, equipment, supplies, travel, education efforts, limited-term employees and overtime costs as well as for a veterinarian, public information officer, and data manager position. In addition, DNR had been directed to provide funds to the Wisconsin Veterinary Diagnostic Lab (WVDL) for CWD testing and to publicize CWD control efforts to meat processors and CWD sampling stations.

Education and Safety and Trapper Education. The Department is required to establish hunter education and bow hunter education courses. Both courses provide instruction to students in the responsibilities of hunters to: (a) wildlife, the environment, landowners, and others; (b) recognize threatened and endangered species; and (c) know the principles of wildlife management and conservation. In addition, to conform to the requirements of 2013 Act 61, DNR has incorporated crossbow safety into both the hunter education and

bow hunter education courses.

Under current law, the fee for both bow and gun hunter classroom safety courses is set at \$10 by administrative rule. Instructors are allowed to retain up to \$5 per student for costs associated with offering the class. Remaining fees are remitted to DNR to be deposited mostly in the fish and wildlife account, although the boat registration account, ATV account, and snowmobile accounts also are allocated a portion of this appropriation corresponding to the revenue from safety course fees in those areas. The hunter education program addresses safety in handling firearms, bows, and crossbows used in hunting, while the bow hunter education program covers primarily hunting with bows and crossbows. With certain exceptions, no person born on or after January 1, 1973, can obtain a hunting license unless the person is issued a certificate of accomplishment from the appropriate program.

In addition to traditional classroom courses, since 1996, DNR has offered online hunter education. Currently, four online courses that meet Wisconsin hunter education requirements are available for participants of any age. Courses range in cost from no course fee to \$24.95. All courses require participants to complete a field training day, generally taking approximately six to eight hours, and a written and hands-on examination for an additional fee of \$10 to obtain certification. The Department also began offering an adult-only online hunter education course required by 2011 Act 168 in July, 2012. Online adult-only hunter education course participants are required to complete a written and hands-on examination but are not required to undergo field training. Three courses are available with course fees ranging from \$13 to \$24.95. In addition, a \$10 fee is required for the cost of the written and hands-on examination.

2011 Act 168 also authorizes a school board to award one half-credit toward high school graduation to a high school pupil who successfully completes the hunter education program, the bow

hunter education program, or the trapper education program, although a school board may award credit for completion of only one of these programs. In fiscal year 2015-16, 24,837 students completed a hunter education course, including 18,969 students certified in basic hunter education, 1,939 students certified in general online hunter education, 2,293 students certified in adult-only hunter education, and 1,636 students certified in bow hunter education.

The Department is also required to establish a trapper education program. The trapper education course provides instruction in: trapping history in wildlife conservation; principles of wildlife management; furbearer management; biology and disease; trapping laws and ethics; trap preparation, adjustment setting and safety; humane trapping methods; and pelt preparation, skinning, grading, and marketing. Under current law, instructors may retain up to 50% of the instruction fee set by DNR in administrative rule (currently \$12 per student) and remit the remaining portion of the fee to DNR. In calendar year 2015, 1,606 students completed a trapper education course. 2011 Act 168 also requires DNR to offer an online trapper education course. According to the Department, this course will be available in 2017. Beginning January 1, 2017, all correspondence and online course students will be mandated to complete a two-hour in-person field test after completion of the course.

Commercial Fish Propagation and Great Lakes Protection Surcharge. 2005 Act 288 created a commercial fish protection surcharge where, if a court imposes a fine or forfeiture for the unlawful killing, catching, taking, transporting, sale or possession of Great Lakes fish in violation of s. 29.971 of the statutes, the court may impose a commercial fish protection surcharge generally equal to the average wholesale value of the fish or an amount equal to the corresponding wild animal protection surcharge. In addition, the Act created a Great Lakes resource surcharge of 75% of the fine or forfeiture for violations involving Great Lakes fish or sport trolling or commercial fishing in out-

lying waters. Revenue from these surcharges is directed to an appropriation in the fish and wildlife account of the conservation fund to be used for research relating to Great Lakes fish. Revenue totaled \$30,000 in fiscal year 2014-15.

Stamp-Funded Programs. Recent sales and revenue amounts for fish and wildlife stamps are shown in Appendix II. All of the money from the sale of turkey stamps is statutorily required to be used for developing, managing, preserving, restoring and maintaining the wild turkey population in the state.

Beginning March 1, 2006, 40% of the revenues generated by the sale of pheasant stamps must be used for developing, managing, preserving, restoring, and maintaining the wild pheasant population in the state, and 60% is used to raise and stock pheasants on DNR lands.

Two-thirds of the revenue from the waterfowl stamp is to be used for developing, managing, preserving, restoring, and maintaining Wisconsin wetland habitat for producing waterfowl; the other third is contributed to governmental or nonprofit agencies in Canada for the propagation, management, and control of migratory waterfowl for the Mississippi flyway.

Funds from the inland trout stamp are used to improve and maintain trout habitat and conduct trout surveys in inland trout waters. In addition to stamp revenue, 2005 Act 25 specifies that one-half of the revenues generated by the sale of the inland lake trout fishing license be used for improving and maintaining trout habitat in inland waters, and for conducting trout surveys. Revenue from the Great Lakes trout and salmon stamp can be used to supplement and enhance the existing trout and salmon rearing and stocking program in outlying waters.

Great Lakes Vessel Rental Appropriation. 2013 Act 20 created a continuing appropriation in the fish and wildlife account for the deposit of all

moneys received from the rental of Great Lakes research vessels that are rented for purposes other than Wisconsin's management of fish and wildlife resources to pay the cost to the Department for staffing and other services associated with rental of these vessels for those purposes. Although DNR estimates revenues of approximately \$14,000 a year, no monies were received in 2014-15.

Go Wild Contract Fees. DNR contracts with a third party (currently Wisconsin Interactive Network) to operate the statewide automated license system, recently renamed the "Go Wild" system (formerly referred to as ALIS). Under the contract, DNR pays 65¢ for each hunting/fishing/trapping license approval and 35¢ for each recreational vehicle approval sold to WIN. The fee payable for each license sale is deposited into a continuing appropriation. The Go Wild operator (WIN) is then paid the amounts due under the contract from this appropriation.

Voluntary Contribution for Lake Research and Control of Aquatic Invasive Species. Any person purchasing a fishing license or applying for a boat registration may elect to make a voluntary contribution for lake research, specifically research conducted by DNR to determine methods for improving the quality of lakes in Wisconsin, in addition to the fishing license or boat registration fee. The minimum voluntary contribution associated with both a fishing license and a boat registration is currently \$2 and moneys received from the contribution, less the 50¢ retained by the sales agent, are to be used to provide grants for projects to control invasive species and for promotional activities and materials to encourage voluntary contributions as well as for research. In 2014-15, contributions of \$63,800 from fishing licenses and boat registrations were deposited in the fish and wildlife account.

Administrative Funding Limit. Beginning in 1999-00, DNR is prohibited from expending more than 16% of funding from the fish and wildlife

account in any fiscal year for administrative purposes. The 16% limit is statutorily defined to include DNR administrative and support services as well as division administration.

In June, 2006, the Legislative Audit Bureau released an audit concerning DNR fish and wildlife funding. The report analyzed revenues, expenditures, and staffing levels for DNR's fish and wildlife related activities in 2004-05. The LAB found that DNR's statutorily defined administrative costs were 11.1% in 2004-05, below the 16% limit (the statutory calculation of administrative costs does not include bureau administration and licensing costs). They also found that user fees funded \$68.2 million (56.7%) of DNR's total \$120.2 million in fish and wildlife expenditures. Other revenues included federal funds, bonding, GPR and program revenues. Further, the LAB found that 97.6% of user fee-funded expenditures provided some benefit to hunters and anglers. Of total fish and wildlife spending in 2004-05, 52.7% supported resource management and education, and 30.4% supported habitat development and land acquisition. The LAB recommended that the Department limit the use of generalized time accounting codes to track staff time, and increase project-planning efforts.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Forestry Account

Revenue

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of

property value). This tax is frequently referred to as the "forestry mill tax" and is the only property tax levied by the state. The rate of the mill tax, which is established in statute, was set at 0.2 mill in 1937 and did not change until 2005.

Revenue from the mill tax increased an average 7.4% per year from 1970-71 to 2004-05. 2005 Act 25 limited the forestry mill tax levy to an annual increase of no more than 2.6% for the three subsequent years. The mill rate for the property tax assessment as of January 1, 2007, became the rate of the tax imposed for all subsequent years. The rate is now 0.1697 mill (16.97¢ per \$1,000 of property value).

The tax is collected with other property taxes on a calendar-year basis and is calculated by using each county's total equalized property value, as determined by the Department of Revenue, for the previous year. For 2014-15, the tax generated \$81.4 million, which is 77% of the total revenue that was credited to the forestry account in that fiscal year. Statutorily, at least 12% of the revenue generated by the tax must be used to acquire and develop forests within a sixteen-county region southeast of a line running generally from Rock to Outagamie to Manitowoc Counties.

Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively-managed county forests and on privately-owned land entered under the forest crop law and managed forest law programs; (e) closed-acre fees under the managed forest law program; and (f) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license. Table 6 shows revenues to the forestry account in recent years.

Table 6: Forestry Account Revenue

	<u>Actual</u> <u>2014-15</u>	<u>Estimate</u> <u>2015-16</u>	<u>2014-15</u> <u>% of Total</u>
Mill Tax	\$81,350,400	\$83,300,000	77.2%
Timber Sales	7,236,900	7,500,000	6.9
Nurseries	1,492,800	1,450,000	1.4
Forest Tax Law	8,989,000	9,360,000	8.5
Campsite Fees	2,440,800	2,700,000	2.3
Admission Stickers	2,475,900	2,780,000	2.4
Sales and Services	267,100	250,000	0.3
Conservation Patron Allocation	260,800	250,000	0.2
All Other Revenue	<u>802,900</u>	<u>800,000</u>	<u>0.8</u>
Total Revenue	\$105,316,600	\$108,390,000	100.0%

The 2005-07 budget directed DNR to prioritize reducing the backlog of incomplete timber harvests (approximately 170,000 acres) and forest inventory work on state-owned land. Further, 2005 Act 166 required DNR to set annual allowable timber harvest goals for all forested state properties, and to report by January 1 of each odd-numbered year on its progress in meeting the goals. In its 2015 submission, DNR reported a 34,500-acre backlog as of December, 2014, or about 20% of the original 2005 figure. The Department indicates it will continue to reduce the backlog until it reaches an annual operational level of approximately 21,500 acres or less than one year's calculated long-term allowable harvest. DNR indicates the backlog is due to a variety of factors including: difficulty establishing timber harvests on properties with seasonal restrictions, such as parks properties where timber harvests could interfere with recreational users and forested wetlands where weather conditions often prevent adequate ground freezing required for harvest; difficulty accessing certain areas for harvest; marketability limitations, including small acreage, limited volume, poor quality; and management delays associated with the development and revision of property master plans.

2015 Act 55 requires DNR to increase the percent of overall Northern State Forest property

acres classified by the Department as forest production areas from 67% to 75% (approximately 37,500 additional acres), with the exception of Governor Knowles State Forest in Burnett and Polk Counties. Northern State Forests include all state forests located outside the 16-county region composed of Calumet, Dodge, Fond du Lac, Jefferson, Kenosha, Manitowoc, Milwaukee, Outagamie, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, Waukesha, and Winnebago Counties. In addition, the Act specifies that any land classified as a forest production area may not be classified under any other land management classification. Further, the Act specifies that in a DNR-prepared master plan for each Northern State Forest, the primary management objective of a forest production area is the production of timber and other forest products. The Act also requires DNR to establish the primary management objective of a forest production area to be the production of timber and other products, and requires DNR to maximize timber production on forest production areas while using accepted silvicultural practices.

The Act also specifies that the Department may not prohibit a person engaged in silviculture from crossing a recreational trail on DNR property (property that is owned by the state, under the jurisdiction or control of the Department). Further, the Act requires DNR to, at the request of a person engaging in silviculture, temporarily close a portion of a recreational trail on Department property. Before the recreational trail is reopened, DNR must require the person engaging in silviculture affecting the recreational trail to restore any portion of the recreational trail affected by the silvicultural activities to its condition prior to those activities. In addition, the Act specifies that DNR may not limit the scope of a silvicultural activity on Department property based on the proximity of that activity to a recreational trail on DNR property.

Timber revenues from state forests and other

Table 7: DNR Timber Sales Completed

Fiscal Year Completed	Acreage			Cord Equivalent	Total Revenue
	State Forest	Other State Lands	Total		
2010-11	10,600	4,600	15,200	287,500	\$10,055,800
2011-12	12,000	3,900	15,900	275,100	9,975,700
2012-13	10,800	5,400	16,200	277,800	9,742,600
2013-14	9,700	7,900	17,600	330,600	12,228,300
2014-15	9,800	6,100	15,900	274,900	11,081,100
2015-16	8,500	7,200	15,700	254,100	10,459,200

state lands from the last six fiscal years are shown in Table 7. The Department sells forest products in several units of measure including: board feet, or saw logs to be turned into boards which are reported in increments of thousand board feet, or MBF; cords, which are typically to be turned into pulp, paper, or chips and which are sold by volume; and tons, which are typically to be turned into pulp, paper, or chips sold by weight rather than volume. The table shows these units all converted to cord equivalent for comparison. One cord or cord equivalent is equal to a pile of wood four feet by four feet by eight feet or 128 cubic feet, which typically contains about 78 cubic feet of wood and 50 cubic feet of air space. It should be noted that the data reflects when timber sales were closed, not when a timber sale initially took place or when each acre was actually harvested. For example, a sale may have taken place in fiscal year 2012-13, with a majority of the timber from that sale harvested in fiscal year 2014-15, and with the final portion of the timber harvested and the sale closed out in the Department's timber harvest tracking system in fiscal year 2015-16. In such a case, all of the volume and all of the revenue is shown in Table 7 as fiscal year 2015-16 when the sale closed.

Expenditures

Forestry account revenues are used to fund several forestry programs and related administrative activities. 1999 Act 9 created a Division of Forestry within DNR (previously Forestry had been a bureau within the Land Division). Forestry account expenditures are shown in Table 8.

State Forest Operations. The Department operates state forests under two separate administrative structures. Northern state forest properties are operated by DNR's forestry staff in a manner that generally focuses on the enhancement of their timber resources but also emphasizes recreational use. The eight southern state forest properties are operated by state parks personnel and managed to give priority to their recreational value.

In addition to the acreage owned in fee title or held in easement which is included in a state forest, DNR holds easements on approximately 239,000 acres of other forest land, including lands acquired with the assistance of the federal Forest Legacy Program. This total includes the first two phases of the Brule-St. Croix Legacy Forest easement on 65,868 acres in Bayfield, Burnett, Douglas, and Washburn Counties utilizing up to \$13.2 million from the stewardship program. Congress created the Forest Legacy Program to identify and protect environmentally important private forestlands threatened with conversion to non-forest uses. Phase III, which included an additional 7,100 acres in Douglas County, was approved by the Joint Finance Committee in June, 2016, but these acres are not included in the total shown. Under a conservation easement, development rights may be purchased from landowners to prevent development and subdivision, to require specific land practices (such as maintaining certain parcels as productive forest land), and to ensure public recreational access. Generally, easements are purchased in perpetuity and remain attached to the deed regardless of any change in the property's ownership.

DNR is statutorily required to practice "sustainable forestry" and use it to assure state forests are managed to provide a full range of benefits, including soil protection, public hunting, protection of water quality, production of recurring for

Table 8: Forestry Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff
Forestry Program Appropriations				
State Forestry Operations	\$48,312,100	\$52,305,900*	47.8%	449.08
Southern Forest Operations	5,067,000	5,489,200	5.0	41.45
Stewardship Debt service	13,500,000	13,500,000	13.4	0.00
FCL and MFL Aids	1,237,500	1,237,500	1.2	0.00
County Forest FCL and MFL	1,402,600	1,416,400	1.4	0.00
County Forest Loans	220,500	616,200	0.2	0.00
County Forest Project Loans	0	396,000	0.0	0.00
County Forest Loan Severance Payments	0	100,000	0.0	0.00
County Project Loans Severance Payments	0	350,000	0.0	0.00
County Sustainable Forestry Grants and County Forest Administrator Grants	1,531,700	1,526,900	1.5	0.00
Law Enforcement- Car-killed deer**	0	701,400	0.0	0.00
Urban Forestry Grants	503,000	524,600	0.0	0.00
Forestry Management Plan Contracts	100	316,800	0.0	0.00
Forestry - Management of National Forest Land	0	0	0.0	0.00
Fish, Wildlife and Forestry Recreation Aids	112,200	112,200	0.1	0.00
Recording Fees	138,400	89,100	0.1	0.00
Fire Emergency Other States	0	0	0.0	0.00
Reforestation	96,500	100,500	0.1	0.00
Wisconsin Private Forest Landowner Grants	763,900	1,147,900	1.8	0.00
Forest Fire Protection Grants	170,000	170,000	0.2	0.00
Assistance for NCOs and Private Conservation	224,100	0	0.2	0.00
Forestry Public Education Curriculum-UW Stevens Point	267,500	350,000	0.2	0.00
Parks and Forests Campground Reservations	350,700	291,400	0.3	0.00
Forestry Education and Professional Development	244,800	0	0.2	0.00
Karner Blue Butterfly Habitat Conservation Plan Fees	22,500	9,900	0.0	0.00
Cooperating Foresters	253,300	0	0.3	0.00
Property Development**	0	3,000,000	0.0	0.00
Resource maintenance and development-state park, forest, and riverway roads	0	2,000,000	0.0	0.00
Split-Funded Appropriations				
Administration and Technology Services	7,432,200	8,564,400	7.4	63.96
Customer Assistance and Employee Services	3,219,400	2,856,300	3.2	22.00
Land Program Management	136,000	126,100	0.1	0.88
Bureau of Facilities and Lands	2,952,900	3,399,500	2.9	32.91
Bureau of Science Services	878,600	537,900	0.9	2.54
Office of Business Support and Sustainability	0	130,700	0.0	2.00
Bureau of Endangered Resources	277,600	263,700	0.3	2.54
Administrative Facility Repair and Debt Service	902,400	2,349,300	0.9	0.00
Aids in Lieu of Taxes	5,922,200	6,204,100	5.9	0.00
Resource Acquisition and Development	1,821,500	738,700	1.8	0.00
Rent and Property Maintenance	234,600	128,400	0.2	0.00
Taxes and Assessments	12,100	65,700	0.0	0.00
Miscellaneous	83,300		0.0	0.00
Other Agency Appropriations				
Agriculture, Trade, and Consumer Protection	1,629,500	1,615,500	1.6	9.75
State Historical Society- Northern Great Lakes Museum	61,700	52,400	0.1	1.00
University of Wisconsin System	133,300	134,500	0.1	1.00
University of Wisconsin System - WEEB	205,700	200,000	0.2	0.00
Kickapoo Reserve Management Board	676,400	695,200	0.7	2.75
Lower Wisconsin State Riverway Board	53,400	56,800	0.1	0.50
Total	\$101,051,200	\$113,871,100	100.0%	632.36

*Includes \$1.395 million in one-time funding

**One-time funds

Table 9: Wisconsin's State Forests

	Counties	Acreage
Northern Forests		
Northern Highland	Iron, Vilas	174,203
Flambeau River	Ashland, Price, Rusk, Sawyer	91,172
Black River	Clark, Jackson	68,690
American Legion	Oneida	60,284
Brule River	Douglas	47,463
Governor Knowles	Burnett, Polk	21,154
Peshigo River	Marinette, Oconto	11,142
Coulee Experimental Forest	La Crosse	<u>2,992</u>
Subtotal Northern Forests		477,100
Southern Forests		
Kettle Moraine-Northern Unit	Fond du Lac, Sheboygan, Washington	29,828
Kettle Moraine-Southern Unit	Jefferson, Walworth, Waukesha	21,631
Point Beach	Manitowoc	2,943
Kettle Moraine-Loew Lake	Washington	1,231
Kettle Moraine-Lapham Peak	Waukesha	1,057
Kettle Moraine-Pike Lake	Washington	752
Kettle Moraine-Mukwonago River	Walworth, Waukesha	911
Havenwood Forest Preserve	Milwaukee	<u>237</u>
Subtotal Southern Forests		58,590
Other Properties*		<u>2,944</u>
Total		538,634
Easement lands (includes Forest Legacy program)		238,997

*Other properties include demonstration forests, nurseries, state owned islands, and the sustainable forest education center.

est products, outdoor recreation, native biological diversity, aquatic and terrestrial wildlife, and aesthetics.

Table 9 identifies the eight largest northern forest properties and all southern state forests and the acreage of these properties as of July 1, 2016.

In 2003, the Governor directed DNR to explore forestry certification in response to a growing demand for certified wood from purchasers of Wisconsin timber products. Forest certification is a process in which a forest landowner undergoes an audit of their forest practices by a third party. If the third party determines that the landowner's forest practices meet the third party's definition of long-term sustainability, then that party will "certify" that the forest is well managed. Wood prod-

ucts originating from that forest can be marketed as having been grown and harvested in a "sustainable" manner, providing biological, social, and economic benefits. In 2004, 517,700 acres of state forests were dual-certified by the Sustainable Forest Initiative (SFI) and the Forest Stewardship Council (FSC). Third-party auditors conduct annual reviews of these forests.

As of June 30, 2016, approximately 7.4 million acres (47.07%) of Wisconsin forestland were certified including: (a) approximately 1,551,400 acres of DNR lands (primarily state forests but also including wildlife areas, natural areas, and other DNR lands dual-certified by the SFI and FSC); (b) approximately 2.4 million acres in County Forests (1,483,900 dual-certified by the FSC and SFI, 168,900 certified by the FSC, and 730,700 certi-

fied by the SFI); (c) approximately 2.6 million acres of managed forest land (MFL) land dual certified by the FSC and American Tree Farm System (ATFS), (d) 224,700 Menominee tribal forest lands certified by the FSC, and (e) 663,600 of private forest and local government forest lands certified by the SFI, FSC or ATFS.

The Department operates two tree nurseries (Boscobel and Wisconsin Rapids) that produce and distribute seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. Seedling distribution has declined in recent years, from approximately 7.7 million seedlings distributed by the nurseries in fiscal year 2009-10 to approximately 3.5 million seedlings distributed in fiscal year 2015-16. A third nursery, in Hayward, was operated by DNR through fiscal year 2012-13, when seedling production ended and existing nursery stock was processed and sold. Currently, the Forestry Division's reforestation program uses the Hayward Nursery facility as a seed cleaning and storage facility, and a seedling distribution center. (While no seedlings are produced at the Hayward Nursery, the public may purchase seedlings produced by the other nurseries at the Hayward Nursery.) DNR indicates that research plots, field trials, and seed orchards are also being established on the property. Nursery stock is sold at prices that reflect costs to administer the forest nursery program and, with the exception of seedlings distributed to pupils for Arbor Day activities, may not be used for ornamental or landscaping purposes. A 3¢ per seedling surcharge on the sale of nursery stock is dedicated to forestry public education and awareness programs.

The Department has broad authority in the prevention, detection, and suppression of forest fires. DNR utilizes funding to establish and maintain lookout towers, ranger stations and fire suppression and communications equipment and for fire law education and enforcement activities. The Department's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many

southern counties. The forest fire control program also provides cooperative services to towns in those southern counties where wooded lands are more scattered. In addition, the Department also relies on local fire departments as needed for additional wildland fire suppression support. Under a Memorandum of Understanding (MOU), DNR reimburses each local fire department for their fire suppression efforts according to rates established in the MOU.

Department foresters assist private landowners and county foresters in a variety of sustainable forestry management activities, including the development of management plans and marketing strategies and how to address forest health issues. Of the estimated 17.1 million acres of forest land in the state, about 70% are privately-owned, while an additional 14% are part of forest properties owned by county and municipal governments.

2013 Act 20 specifies that beginning with payments received in fiscal year 2013-14, federal National Forest Income (NFI) payments received by DNR under Title I of the federal Secure Rural Schools (SRS) Act be provided to school districts that contain national forest lands within their boundaries based on the proportion of national forest lands within the school district, rather than being distributed to towns. In state fiscal year 2013-14, 27 school districts with national forest lands received \$1,648,900 under Title I of the federal SRS Act, based on the proportion of national forest lands in each district. In addition, the Act provided \$2.5 million SEG from the forestry account of the conservation fund in fiscal year 2013-14 only to be distributed by DNR to towns that were eligible to receive National Forest Income payments during fiscal year 2012-13, based on the proportion of national forest land located in the town. The \$2.5 million forestry SEG was provided by DNR in fiscal year 2013-14 to 11 county treasurers to be distributed to towns within their county. The \$2.5 million payment to towns in fiscal year 2013-14 was provided to compensate towns for a one-year loss of revenue from the switch of

NFI payments to towns, and a federal payment in lieu of taxes (PILT) formula that subsequently increased payments to towns. For state fiscal year 2015-16 (federal fiscal year 2014-15), school districts received approximately \$1.5 million under Title I of the federal SRS Act. Towns received approximately \$3.4 million in federal PILT payments in state fiscal year 2015-16.

Southern Forest Operations. DNR is provided over \$5 million annually with 41.45 positions for operations of the eight southern state forests, as shown in Table 8. Southern state forest properties are managed by state parks personnel in a manner that gives priority to their recreational value.

Stewardship Debt Service. Since fiscal year 1997-98, forestry account funds have been utilized for a portion of the payment of principal and interest related to the Warren Knowles-Gaylord Nelson stewardship program. Prior to 1998, debt service for the stewardship program had been primarily funded from general purpose revenue (GPR). Currently, \$13.5 million annually is paid from the forestry account, with the remainder funded from GPR.

Aids in Lieu of Property Taxes. Since 1992, when DNR acquires land, the Department pays aids in lieu of property taxes on the land to the city, village or town in which the land is located in an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality then pays each taxing jurisdiction a proportionate share of the payment, based on its levy. For lands purchased after July 1, 2011, the aids formula is adjusted so that estimated value means either the lower of the equalized value of the property in the year prior to purchase by DNR or the purchase price (instead of the purchase price, under prior law). In cases where the property had been previously tax exempt, the calculation would

be the lower of either: (a) the purchase price; or (b) the last recorded equalized value, or a payment of \$10 per acre, whichever amount was greater. In cases where the property had been tax exempt in the year prior to acquisition, or enrolled in the forest crop law (FCL) or managed forest law (MFL) program at the time of purchase, estimated value means the lesser of either the purchase price or an amount that would result in a payment of \$10 per acre.

Prior to 2003, aids in lieu payments were made entirely from a sum-sufficient, GPR appropriation. However, the 2003-05 biennial budget provided \$1 million in 2003-04 and \$2 million in 2004-05 from the forestry account of the conservation fund for these payments. Through fiscal year 2014-15, statutory language specified that the first draw for aids in lieu of property tax payments be taken from the forestry account appropriation. The amount increased over the next several years until reaching \$5,470,000 SEG annually, beginning in 2012-13. 2015 Act 55 specifies that, in fiscal year 2015-16, 45% of payments of aids in lieu of taxes (for lands acquired after 1991) be made from the forestry account of the conservation fund, and the remainder from GPR. Beginning in fiscal year 2016-17, 50% of payments of aids in lieu of taxes are required to be made from the forestry account with 50% from GPR (budgeted at \$6,750,000 GPR and \$6,750,000 forestry SEG in 2016-17).

Property Development - One Time. 2015 Act 55 provides \$3 million SEG in fiscal year 2015-16 and \$3 million SEG in fiscal year 2016-17 in one-time funding in a continuing appropriation from the forestry account for property development of Department lands.

State Park, Forest, and Riverway Roads. 2015 Act 55 deletes \$2 million GPR annually for state park, forest, and riverway road maintenance. (The statutory authority for the GPR appropriation remains; however no GPR funding is provided during the 2015-17 biennium.) The Act instead provides \$2 million forestry SEG annually in a

new continuing appropriation and specifies that funds from this appropriation, in addition to funds from the current law GPR appropriation (budgeted at \$0 GPR), may be utilized for state park, forest, and riverway road maintenance. The same requirements apply to the forestry SEG appropriation as to the GPR appropriation: DNR is required to expend not less than one-third of the amounts from each appropriation in each fiscal year for the renovation, marking, and maintenance of a town or county highway located within the boundaries of a state park, state forest, or other property under the jurisdiction of DNR or for the renovation, marking, and maintenance of roads which DNR certifies are utilized by a substantial number of visitors to state parks, state forests, or other DNR properties.

Forest Crop Law and Managed Forest Law Programs. The forest crop law (FCL) and the managed forest law (MFL) programs are designed to encourage landowners to manage private forest lands for the production of future forest crops for commercial use through sound forestry practices. Land enrolled under these programs is subject to a discounted property tax. Instead of traditional property taxes, landowners make payments to municipalities (which in turn pay a portion to the counties) in amounts determined by the date the land is entered into these programs. DNR distributes state aids to the municipalities in which the land designated as forest crop law and managed forest law is located.

2015 Act 358 made a number of changes to the FCL and MFL programs including: (a) increasing the minimum acreage required for designation of a parcel as MFL from 10 contiguous acres to 20 contiguous acres; (b) increasing the limit on the number of acres an MFL landowner may close to public access from 160 per municipality per landowner to 320 and requiring certain public access on open MFL land; (c) providing payments to local governments related to the number of closed acres in each locality; (d) eliminating yield and severance taxes for timber harvested on MFL and

FCL land and providing a one-time payment related to the elimination of the payments; (e) changing the withdrawal tax calculation for small MFL parcels to one based on a maximum multiplier of 10 years rather than the full length of participation in the program; (f) specifying that an order issued under the MFL subchapter of the statutes is a "contract between the state and the owner"; (g) removing the prohibition on leasing of MFL lands; (h) amending provisions regarding the sale and transfer of MFL land; (i) amending provisions regarding the withdrawal of MFL land; and (j) broadening the eligibility for persons who may submit preferential timber cutting notices for MFL land. In addition, the Act includes provisions specifying that: (1) the Department may prepare a state wildlife action plan but that the plan may not require action by property owners or DNR; and (2) the inclusion of a date (March 1, 2017) by which the Department must propose a variance to the master plans of all state forests except the southern state forests so that 75% of all land in those forests is classified as a forest production area. [The 2015-17 biennial budget bill, as enrolled, required DNR to propose a variance to the master plans of specified state forests so that 75% of all the land in those state forests combined is classified as a forest production area by March 1, 2017. However, the Governor vetoed the deadline. 2015 Act 358 restores the deadline].

Forest Crop Law Program. In return for the property tax benefit, property owners with land enrolled in FCL must comply with certain forestry practices and must allow hunting and fishing on all of the designated land. In addition, the landowner pays the town 10¢ per acre for land entered prior to January 1, 1972. On land entered since 1972, owners paid 83¢ per acre through 2002. The rate was adjusted to \$2.52 per acre for 2013 payments and is adjusted every tenth year thereafter. Certain special classes pay 20¢ per acre. In addition, prior to 2015 Act 358, DNR received severance taxes on timber harvested on the land. DNR also receives withdrawal penalties for land taken out of the program under certain conditions. The

revenue from the taxes and penalties was divided between the Department and the municipality and county in which the land is located. 2015 Act 358 eliminated severance taxes on FCL lands effective for removal of wood products from FCL land that occurs beginning on April 16, 2016.

On January 1, 1986, new entries into FCL were eliminated, although existing FCL orders will remain in effect until their expiration. The last FCL order expires in 2035. Landowners with land enrolled in the FCL program may convert their land to the managed forest law program when their FCL order expires. Early conversion into MFL is also available for a non-refundable application fee of \$30.

Managed Forest Law Program. DNR pays the municipality 20¢ per year for each MFL (and FCL) acre in the municipality, of which the municipality keeps 80% and sends 20% to the county.

1985 Act 29 created the managed forest law program, a landowner incentive program that provides a reduction in property tax for lands enrolled in the program in exchange for a commitment to sound management of private forest lands. Under the MFL program, an owner of 20 or more contiguous acres of productive forest land can petition DNR to enroll land in the MFL program, provided at least 80% of the parcel is capable of producing at least 20 cubic feet of sellable timber per acre per year. (2015 Act 358 increased the minimum acreage for enrollment in MFL from 10 contiguous acres to 20.) If the petition and corresponding forest management plan is approved, DNR issues an order designating the land as MFL for a period of 25 or 50 years. The landowner is required to follow the approved management plan throughout the period of the MFL order. If a landowner fails to follow the management plan, then DNR may withdraw the land from the program, and the landowner is subject to a withdrawal penalty. All MFL applications including conversion and renewal applications are subject to a \$30 non-refundable application recording fee. Prior to 2015

Act 358, a parcel developed for a human residence was not eligible to be enrolled in the MFL program. The Act prohibits the enrollment of a parcel if there is any building or improvement associated with a building located on the parcel, beginning with enrollments beginning on April 16, 2016.

2015 Act 358 specifies that an order issued under the MFL subchapter of the statutes, "shall constitute a contract between the state and the owner and shall remain in effect for the period specified in the application unless the land is withdrawn from the program." In addition, with certain exceptions, the Act specifies that the Department may not amend or otherwise change the terms of an order or management plan to conform with changes made to any provision of the subchapter after the date the order was entered into or the date the management plan was approved. Further, if a statute is enacted or a rule is promulgated during the period of the order that materially changes the terms of the order, the Act specifies that the landowner must elect between acceptance of the modifications to the contract consistent with the provisions of the statute or rule, or voluntary withdrawal of the land without penalty. 2015 Act 55 specifies that if the Department establishes a group certification program under which land designated as managed forest land may be certified as meeting certain forest management standards, DNR may enroll MFL land in the program only if the owner of the MFL land affirmatively elects to have the land enrolled.

Under current law, a landowner applying for enrollment in the MFL program must submit a forestry management plan. If a forestry management plan is not filed with the application, the application must contain a request that DNR prepare the plan. DNR may decline to prepare the plan, unless the Department determines that the applicant is unable to have a certified independent plan writer, as certified under criteria established by DNR administrative rule, prepare the plan. If DNR makes such a determination, the Department may prepare the plan, or may contract with an inde-

pendent certified plan writer to prepare the plan.

If DNR prepares the plan, the Department may charge a management plan preparation fee. The fee is determined by a formula based on the average of cost data supplied by independent certified plan writers for MFL plan preparations completed in the previous year (June 1 through May 31). The rate established in July, 2016, for entries effective January 1, 2018, is \$11.86 per acre, the rate established in June 2015, for entries effective January 1, 2017, was \$11.98 per acre. Certified plan writers are required to supply the cost data as part of their certification maintenance requirements. The fee is charged in addition to any recording or other fee required under current law. The first \$280 of each fee collected for the preparation of a management plan is deposited in a continuing appropriation for contracting for forestry management plans. Any additional funds are deposited in the forestry account and are available for general appropriation.

Like the forest crop law program, land enrolled under the MFL program is exempt from general property taxes. In exchange for this benefit, landowners must manage their forestland according to the approved forestry management plan and must make annual acreage share payments to municipalities (which in turn pay 20% to the counties) in amounts determined by the date the land was entered into the program. The initial acreage share payment was 74¢ per acre through 1992, with the rate adjusted in 1992 and every five years thereafter for land enrolled prior to 2004.

For land enrolled after April 28, 2004, the acreage share payment is equal to 5% of the average statewide property tax per acre of property assessed as productive forest land. The rate was initially calculated in 2004 and recalculated in 2007 and every five years thereafter, by the Department of Revenue, using the statewide average equalized value per acre for undeveloped land and the statewide average property tax rate, net of the school levy credit; this tax rate includes taxes lev-

ied in towns, villages, and cities, even though most productive forest land is in towns. Current rates were recalculated in 2012, and were effective January 1, 2013, for payments for the 2013 tax year due January 31, 2014. The current rate is 79¢ per acre for lands entered through 2004 and \$2.14 for lands entered after 2004. Revenues from these payments are divided between local units of government (80%) and counties (20%).

Land designated as open land under the MFL program generally must be open to the public for hunting, fishing, hiking, sightseeing, and cross-country skiing. In addition, 2015 Act 358 requires that MFL land designated as open be accessible to the public on foot by public road or from other land open to public access. Prior to 2015 Act 358, a landowner had the option of designating a maximum of 160 acres per municipality as closed to public access if an additional fee is paid for each acre closed to public access. 2015 Act 358 increased the cap on the number of closed MFL acres to 320 per municipality per landowner.

For each acre closed to the public on land entered after 2004, the landowner must make an additional payment equal to 20% of the average statewide property tax per acre of property assessed as productive forest land, based on the 2011-12 average of \$42.70 per acre. The fee currently is \$1.08 per acre for lands entered into the program between 1987 and 2004, and \$8.54 per acre for lands entered after 2004, for a total annual per-acre fee of \$10.68. The rates were adjusted in 2012 (using 2011 equalized property values for taxes payable in 2012) effective January 1, 2013, and will be adjusted every fifth year thereafter, using a formula that accounts for changes in the average statewide property tax for undeveloped lands. Revenues from closed-acreage payments are deposited as general revenues to the forestry account. Under 2015 Act 55 and 2015 Act 358, DNR must distribute certain proceeds from closed acreage fees to municipalities in which closed MFL land is located, in an amount that is proportional to the amount of closed MFL land in the

municipality. 2015 Act 55 requires \$1 million in 2014-15 and \$1 million in 2015-16 for these payments. 2015 Act 358 provides \$4.6 million for this purpose in 2016-17, \$6 million in 2017-18, and \$7 million in 2018-19.

2013 Act 81 allows for the temporary closure of certain MFL land within a proposed ferrous (iron) mining site, generally for a maximum of two years. In addition, the Act provides that DNR may close additional acres of MFL land in the proposed mining site to one or more of the five recreational activities (hunting, fishing, hiking, sight-seeing, and cross-country skiing) authorized on open MFL land if DNR determines that the closure is necessary to ensure the safety of the public, employees or agents of the mining applicant, or employees or agents of regulatory bodies. Further, 2013 Act 81 requires DNR to post information on the Department's website regarding what areas within a proposed ferrous mining site are open to public access for what periods of time with respect to each of the five recreational activities. The Act requires the owner of the proposed mining site to make the closed acreage payment for each acre that is closed to the public for any of the five recreational activities for any portion of time during the previous calendar year. In addition, for MFL orders that took effect before April 28, 2004, the Act requires the MFL owner to pay an annual amount equal to 15% of the average statewide property tax per acre of productive forest property, for each acre not open to all five recreational activities for any part of the previous calendar year [paid to the county (20%) and the municipality (80%)], which would be subtracted from the total withdrawal tax due if the property were to be removed from the MFL program prior to the end of the MFL order. The Act also requires the MFL land to be open to hunting deer during the regular nine-day November gun deer season and that land within 50 feet of Class I and II trout streams be open for fishing. Finally, the Act requires that, if an owner withdraws from MFL land located within a proposed ferrous mining site, DNR must issue the order for withdrawal within

30 days after receiving the request. In January, 2014, DNR closed over 1,000 acres of MFL lands in Iron and Ashland Counties under this provision. The closures were in relation to exploratory drilling at a potential iron mine site.

Prior to 2015 Act 358, land designated as managed forest law was prohibited from being developed for commercial recreation, for industry, or for any other use determined by DNR to be incompatible with the practice of forestry. 2007 Act 20 specified that owners of land designated as managed forest law may not enter into a lease or other agreement for consideration (compensation) permitting persons to engage in recreational activities on the land. Further, the Act specified that all leases of MFL land were invalid as of January 1, 2008. The Act defined recreational activities as hunting, fishing, hiking, sightseeing, cross-country skiing, horseback riding, and rental of cabins. This restriction did not apply to reasonable membership fees charged by a non-profit entity if approved by DNR. 2015 Act 358 eliminated the prohibition of leasing and authorizes an owner of MFL land to do either or both of the following: (a) permit a person who performs land management activities on the land to access the land to conduct recreational activities; or (b) enter into a lease or other agreement for consideration that permits persons to engage in a recreational activity on the land.

In addition to the acreage share and closed acre payments, prior to 2015 Act 358, landowners were required to pay a yield (severance) tax of 5% of the timber harvested on MFL land, based on average price of species harvested. The municipality retained 80% of the payment and remitted 20% to the county. 2015 Act 358 eliminated MFL yield taxes effective April 16, 2016. In addition, the Act requires DNR to determine whether the amount in closed acreage fees payable to each county and municipality in 2016 is less than the amount each received in severance and yield taxes in 2015, and for each county and municipality that will receive less in 2016 than it received in 2015, requires DNR to pay each county and municipality an

amount equal to the difference between the two amounts, no later than December 1, 2016. The Act appropriates \$1.4 million in 2016-17 for these payments.

DNR approval is required before an owner may cut timber on MFL land, except for timber cut for use as fuel in a landowner's home. A landowner must submit to DNR a notice of intent to cut timber on MFL-enrolled land 30 days prior to cutting. As amended by 2015 Act 55, DNR is prohibited from prescribing the amount of forest products to be removed if the notice was provided by a cooperating forester or by a forester accredited by one of several, specified organizations. In addition to cooperating foresters and foresters accredited by the organizations specified under 2015 Act 55, 2015 Act 358 prohibits DNR from prescribing the amount of forest products to be removed if a notice of intention to cut was provided by a person who has: (a) five years of experience engaged in the full-time profession of managing forests, including timber harvesting, wildlife, water quality, and recreation to maintain a healthy and productive forest; (b) this experience plus a bachelor's degree from an accredited higher education institution; and (c) this experience plus a degree or diploma from a two-year forestry program provided by an accredited technical or vocational school. The bill as enrolled would have required DNR to notify the person who filed the notice of intent to cut, by certified letter or email no later than the end of the next business day, of the Department's decision to approve or deny a cutting notice and state the reason for their decision. However, DNR approval would not be required for a notice submitted by a person meeting the experience and educational criteria. The Governor vetoed provisions relating to notices submitted by persons with forestry education and professional experiences.

Under the MFL program, the landowner is required to follow the approved management plan throughout the period of the MFL order. If a landowner fails to follow the management plan, DNR

may withdraw the land from the program, and the landowner is subject to a withdrawal fee and withdrawal taxes. Landowners may also request that DNR withdraw land from the program, and with certain exceptions, if land is withdrawn from the MFL program before the expiration of the MFL order, the landowner must pay a withdrawal fee and withdrawal taxes. The withdrawal fee of \$300 is deposited in the forestry account. The withdrawal taxes due (calculated by the Department of Revenue) are generally the higher of either: (a) the MFL owner's past tax liability, calculated using the assessed value of the property and net tax rate in the municipality in the year prior to withdrawal, multiplied by the years the land was designated as MFL; or (b) five percent of the stumpage value of merchantable timber on the land, less any acreage share and yield taxes paid by the owner. DNR remits all withdrawal taxes to the municipality where the land is located and the municipality retains 80% of the payment and remits 20% to the county. Under 2015 Act 358, this calculation applies to land that is part of a "large property," which is defined as one or more separate MFL (or FCL) parcels of land under the same ownership that are collectively greater than 1,000 acres in size. For all other parcels, withdrawal taxes due are calculated as the property tax rate applicable to the land in the previous year, multiplied by the number of years the land was enrolled in the program, or multiplied by 10 years, whichever is less.

Under s. 77.88(3) of the statutes, an owner may request that DNR withdraw a portion of an MFL order or DNR may order the withdrawal of land from the MFL program if the land is one of the following: (a) an entire parcel of managed forest land; (b) all of an owner's managed forest land within a quarter-quarter section (40 acres); or (c) all of an owner's managed forest land within a government lot or fractional lot as determined by the U.S. government survey plat. For Department-ordered withdrawals, (c) only applies if the withdrawal is required as a result of a mistake by the owner. If any remaining land under the MFL order

continues to meet the eligibility requirements of the MFL program, it may remain enrolled in the program.

2013 Act 1 prohibited DNR from requiring the withdrawal of a parcel from the FCL or MFL program based on the cutting of timber or other activities on FCL or MFL land related to bulk sampling for ferrous minerals if certain conditions are met.

2013 Act 20 required DNR, upon request of an owner, to withdraw at least one acre of the owner's land from the managed forest law (MFL) program, if all of the following apply: (a) the purpose for which the owner requests that the Department withdraw the land is to construct a residence; (b) the land was designated as managed forest land before October 11, 1997; (c) if the land is not subject to a city, village, town or county zoning ordinance that establishes a minimum acreage for the construction of a residence, the owner requests that the Department withdraw not more than three acres of land; and (d) if the land is subject to a city, village, town, or county zoning ordinance that establishes a minimum acreage for the construction of a residence that is more than one acre, the owner requests that the Department withdraw no more than the acreage of land required by the applicable zoning ordinance for construction of a residence. This option may only be exercised one-time per MFL "parcel" (acreage of contiguous land described in the MFL application under the same ownership). In addition, DNR may not order withdrawal of the remainder of the land under the MFL order unless the remainder fails to meet MFL program eligibility requirements. The owner would be required to pay the withdrawal fee of \$300 and the withdrawal taxes on the acreage withdrawn.

2015 Act 358 authorizes an owner to request to withdraw part of a parcel of the owner's land without paying withdrawal taxes or fees, and requires the DNR to issue an order of withdrawal for such land, if the DNR determines that the parcel is unsuitable, due to environmental, ecological, or

economic concerns or factors, for the production of merchantable timber. The order must withdraw only the number of acres that is necessary for the parcel to resume its sustainability to produce merchantable timber.

In addition, the Act authorizes an MFL owner to voluntarily withdraw part of an MFL parcel (one to five acres) for the purpose of selling or using the withdrawn portion of the parcel as a construction site. Such withdrawals are authorized one time during a 25-year order and two times during a 50-year order. An owner must pay withdrawal taxes and the fee for withdrawal of the land.

Further, under Act 358, when an owner of MFL land that has been damaged by a natural disaster notifies DNR of the damage, DNR is required to establish a period of time that the owner will have to restore the productivity of the land so that it meets MFL eligibility requirements. If the owner fails to complete the restoration during that time period, the owner may request the withdrawal of all or part of the land or DNR may order the withdrawal. The landowner is exempt from payment of withdrawal taxes or fees if DNR determines that the parcel is unable to meet MFL timber production requirements and the order withdraws only the number of acres necessary for the parcel to resume the required level of production.

Under current law, the Department of Revenue (DOR), with the assistance of DNR, is required, upon request of an owner of MFL land, to prepare an estimate of the amount of withdrawal tax that would be assessed if DNR were to issue an order to withdraw the land from the MFL program. Section 77.88(5g) of the statutes specifies that DOR charge a fee for the withdrawal tax estimate of either \$100 or \$5 per acre, whichever is greater.

In addition, section 77.88(2)(d) of the statutes specifies that when land enrolled in MFL is transferred, the transferee is required to file a transfer report with DNR and pay a \$100 transfer fee,

which is deposited in the forestry account. Further, a person selling currently enrolled MFL land that will remain subject to an MFL order after the sale is required to disclose this information to a prospective buyer. The written disclosure must be made by the seller within 10 days after acceptance of a contract of sale or option contract and must include an explanation that terms of MFL orders are for 25 or 50 years, that the Division of Forestry in the Department of Natural Resources monitors management plan compliance under the MFL program, and provide information on how to contact the Division of Forestry. In addition, the disclosure is required to contain the following statement, "Changes you make to a property that is subject to an order designating it as managed forest land, or to its use, may jeopardize your benefits under the program or may cause the property to be withdrawn from the program and may result in the assessment of penalties."

2015 Act 55 eliminated the Managed Forest Law (MFL) Board within DNR under a provision eliminating certain inactive boards and councils. Under prior law, the MFL Board consisted of the chief state forester or his or her designee and the following members appointed for three-year terms: (a) one member appointed from a list of five nominees submitted by the Wisconsin Counties Association (who serves as chairperson); (b) one member appointed from a list of five nominees submitted by the Wisconsin Towns Association; (c) one member appointed from a list of five nominees submitted by an association that represents the interests of counties that have county forests within their boundaries; and (d) one member appointed from a list of five nominees submitted by the council on forestry.

FCL and MFL Aids. Annually, the Department makes payments to each county that has more than 40,000 acres within its boundaries that are entered on the tax roll as FCL or MFL. The amount paid to each county is equal to the number of FCL and MFL acres in the county divided by the total number of FCL and MFL acres that are

within the boundaries of counties that are eligible for payments, multiplied by the amount appropriated for these payments. In the 2015-17 biennium, \$1,237,500 is appropriated annually for these payments.

County Forest, FCL and MFL Aids. Annually, DNR pays each town treasurer 30 cents for each acre of land entered in the county forest program in the previous year. The Department also pays towns and villages 20 cents for each acre enrolled in FCL and MFL. A municipality must submit 20 percent of all moneys received for FCL and MFL acreage to the county treasury.

County Forest Loans. A county may receive from the state no-interest loans to be used for the acquisition, development, preservation and maintenance of county forest lands, with a maximum loan of 50 cents per acre of county forest land. If the amounts appropriated for these loans are not sufficient to pay all of the amounts approved by DNR, the Department provides funding to eligible counties on a prorated basis.

County Forest Project Loans. The Department may allot additional interest-free forestry aid loans on a project basis to individual counties to permit the counties to undertake meritorious and economically productive forestry operations, including land acquisition. These additional aids may not be used for the construction of recreational facilities or for fish and game management projects.

County Sustainable Forestry Grants and County Forest Administrator Grants. Beginning in 2001-02, \$200,000 was provided annually to establish a grant program to increase the implementation of sustainable forestry practices on county forest land. This annual amount is currently \$241,000.

DNR provides grants to counties with county forest land for up to 50% of the salary and fringe benefit cost of a county forest administrator or as-

sistant forest administrator, with a maximum eligible fringe rate of 40% of salary. In addition, up to \$50,000 annually may be used for up to 50% of a county's dues to a not-for-profit organization that works with a county forest administrator and their respective forestry committee and functions as an organizational liaison to DNR (the Wisconsin County Forests Association). Funding of \$1,285,900 is available in 2015-16.

Car-Killed Deer. 2015 Act 55 provides \$701,400 forestry SEG on a one-time basis in 2015-16 and 2016-17 and requires DNR to administer a program for removal of car-killed deer from state, interstate, and U.S. highways. In fiscal year 2015-16, DNR spent \$550,800 on car-killed deer contracts. The Department notes that the average monthly contract rate for all counties for the first eight months of FY16 was approximately \$51,900 and for the last four months the monthly rate was \$34,000 reflecting the change in the scope of work. Previously, funding had been provided from fish and wildlife SEG and GPR, and the program covered removal of deer from any roadway.

In addition, the Act specifies that a person may take possession of the carcass of a deer killed in a motor vehicle collision, subject to certain CWD-related regulations, if the person contacts the DNR and identifies the following prior to taking possession: (a) the name and address of the person taking possession of the carcass; and (b) the location of the carcass. Further, the Act, as passed by the Legislature, would have required DNR to submit a report to the Governor, Joint Committee on Finance and appropriate standing committees of the Legislature by January 1, 2017, including the cost effectiveness of the program, the number of deer collected, and any recommendations regarding the program. The Governor item-vetoed the reporting requirement. Section 29.349 of the statutes currently requires any person taking possession of a bear or wild turkey killed in a motor vehicle collision on a highway to have the carcass tagged by a law enforcement officer. No fee is required for the tag. 2015 Act 55 removed the tag requirement for

deer.

Urban Forestry Grants. Under the urban forestry grant program, the Department awards grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50% of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000.

In addition, 2007 Act 13 specifies that DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas. To be eligible for a grant, the damage must have occurred in an area for which the Governor has declared a state of emergency due to a catastrophic storm event. Act 13 exempts disaster grant recipients from having to pay any portion of the costs in order to receive a grant. DNR is required to notify each grant applicant within 60 days after the application is submitted as to whether the application was approved or denied. The urban forestry grant program is provided of \$524,600 each year in a biennial appropriation in the 2015-17 biennium.

Forestry Management Plan Contracts. Beginning in 2001-02, funding from the forestry account has been made available to contract with consultant foresters to prepare MFL plans for new program enrollees. 2003 Act 228 created a continuing appropriation within the forestry account to receive MFL application fees for proposals that are submitted without timber management plans, with all revenues collected to be used by DNR to contract with consultant foresters to prepare MFL plans. As most applications are submitted with management plans, this appropriation has seen

little use in recent years.

Good Neighbor Authority - Federal Land Management. 2015 Act 55 provided \$395,000 forestry SEG in fiscal year 2015-16 in general forestry operations funding for DNR contracts under the Good Neighbor Authority program. The Good Neighbor Authority (GNA) is a U.S. Forest Service program that allows the Forest Service to enter into cooperative agreements or contracts with states to allow the states to perform watershed restoration and forest management services on National Forest and certain other federal lands. In addition, Act 55 placed \$355,000 forestry SEG in 2016-17 in the Joint Committee on Finance supplementation appropriation and required the Department to submit a report on activities supported by the initial funds, as well as submit a request for release of the funds to the Joint Committee on Finance before January 1, 2016. The report was submitted on January 22, 2016, and, following a 14-day passive review, the funds were released. The Act also created an appropriation for deposit of all moneys received from the sale of timber from federal land under the cooperative agreement to be used to administer, implement, and pay costs associated with the cooperative agreement and contracts. The Act requires that on June 30 of each fiscal year, 10% of the revenue received by DNR in that fiscal year from the sale of timber from federal land under a cooperative agreement lapse to the balance of the forestry account, until the amount lapsed reaches \$750,000.

Wildlife and Forestry Recreation Aids. Counties may apply for grants for the development of wildlife habitat and for outdoor recreational facilities on county forest lands. These projects are limited to those designed to benefit wildlife and the natural environment. County funding for habitat projects is limited to 10¢ for each acre registered as county forest land; however, funds that remain unallocated as of March 31 of each year may be allotted to any county, as long as the total received does not exceed 20¢ per acre registered as county forest. Counties are required to

complete a comprehensive county forest land use plan as part of the application process.

Recording Fees. A \$30 application, conversion, or transfer fee is dedicated to pay the register of deeds any recording fees related to notices of order under MFL. If the revenues from the MFL fees are not sufficient to pay the recording fees, the balance would be paid from the forestry general operations appropriation. Further, DNR may increase the fee, by rule, to cover actual costs.

Fire Emergencies -- Other States. An appropriation in the forestry account is utilized for the deposit of all moneys received from other states for forest fire fighting activities provided by DNR to be used for forest fire fighting activities. In fiscal year 2014-15, DNR did not expend any funding from this appropriation.

Reforestation. Forestry account funding is appropriated for reforestation activities on state forests and nursery properties.

Wisconsin Private Forest Landowner Grants. Beginning in 1997-98, \$1,000,000 was appropriated annually for a program to award grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state (the Wisconsin Private Forest Landowner Grant Program (WFLGP)). In the 2015-17 biennium, \$1,147,900 is appropriated each year for the program in a biennial appropriation.

Under statute, management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forest land provides. Under administrative rule, grants are to be given for not less than 50%, but not more than 65% of eligible costs, with a maximum grant amount of \$10,000. DNR gives preference to projects that are directed to accom-

plish one or more of the following: (a) establish or reestablish forests through regeneration; (b) improve forest stand productivity, vigor, health or value; (c) encourage sustainability; (d) provide protection of soil and water resources; (e) include additional land under written forest stewardship management plans; (f) provide protection and enhancement of riparian areas and wetlands; (g) provide protection and enhancement of terrestrial wildlife habitat; or (h) provide endangered, threatened, or rare species habitat enhancement and natural community habitat maintenance and enhancement. In addition, 2007 Act 20 provided \$60,000 annually beginning in 2008-09 under WFLGP for grants to groups of interested parties for invasive plant projects in weed management areas defined by DNR rule. Under the Act, the groups must consist of landowners who each own less than 500 acres of nonindustrial private forest land.

Forest Fire Protection Grants. DNR may award grants for up to 50% of the costs of purchasing fire-resistant clothing and fire suppression supplies, equipment, training, and vehicles. Funds are available to cities, villages, towns, counties and fire suppression organizations that enter into a written agreement to assist DNR in the suppression of forest fires when requested. Approximately \$497,000 annually is currently available for the program (\$170,000 SEG and \$327,000 FED). 2015 Act 55 converts the appropriation to biennial, where unencumbered funds at the end of the biennium would lapse to the balance of the forestry account.

Assistance for Nonprofit and Private Conservation. Funding had been provided from the forestry account for grants to select non-profit conservation organizations (NCOs) including grants to Gathering Waters and the Natural Resources Foundation (also partially funded by the water resources account) and grants to the Ice Age Trail Alliance and the River Revitalization Foundation. Funding for these grants was eliminated by 2015 Act 55, while statutory authority remains.

(See "Grants to NCOs" near the end of this paper).

Forestry Education and Curriculum Development. Revenues from a 3¢ per seedling surcharge assessed on all seedlings sold at DNR tree nurseries (\$70,500 in 2015-16) were originally intended to be divided evenly between two forestry education appropriations related to sustainable forestry education. However, in practice, DNR used appropriation estimates, rather than actual surcharge revenues, to make these awards. Currently, revenues from the 3¢ seedling surcharge are deposited to the balance of the forestry account, and \$350,000 annually is provided from the forestry account for the UW-Stevens Point Learning Experiences and Activities in Forestry (LEAF) program which develops a kindergarten through 12th grade sustainable forestry education curriculum.

Parks and Forests Campground Reservations. DNR retains \$1 of each camping reservation fee collected by a private vendor (Active Network). The Department returns \$8.65 of every \$9.65 to Active Network from an appropriation in the forestry and parks accounts.

Timber Sale Contract Repairs. Section 28.05(1) of the statutes specifies the procedure for cutting timber in state forests, and specifies that DNR may require a person purchasing products or standing timber under a timber sale contract to provide surety for the proper performance of the contract, either directly or through a bond furnished by a surety company authorized to do business in Wisconsin. Generally, the Department requires surety (performance bond) on all lump-sum sales greater than \$2,000 and all scaled sales regardless of dollar value; lump-sum sales less than \$2,000 and sales where a forest products permit is being issued, which typically include a sale value of \$500 or less, do not require surety. All moneys received as sureties are deposited in an appropriation in the forestry account to be used to repair damage and recover costs incurred by the improv-

er performance of timber sales contracts and to reimburse persons who provide sureties.

Forestry Education and Professional Development. Funding of \$148,500 annually had been provided for grants of up to 50% for individuals pursuing master logger certification or logger safety training through the Great Lakes Timber Professionals Association (GLTPA). Funding was eliminated under 2015 Act 55. In addition, \$300,000 in one-time funding in fiscal years 2013-14 and 2014-15 was provided in this appropriation for a grant to the GLTPA and Wisconsin County Forests Association for a timber study. (*See "Grants to NCOs"*).

Karner Blue Butterfly Habitat. 2007 Act 20 created an appropriation within the forestry account for the deposit of money received from fees paid by partners in the Karner blue butterfly habitat conservation plan, as well as money received from gifts, grants, and bequests to the plan to be used for plan administration and implementation. DNR administers the Karner blue butterfly habitat conservation plan under an agreement with the U.S. Fish and Wildlife Service. The plan allows Wisconsin land owners to manage land occupied by the federally endangered Karner blue butterfly, provided they follow certain guidelines to protect the species. Certain landowners whose land includes Karner blue butterfly habitat or whose management activities interfere with butterfly habitat are required to participate in the plan, while other landowners are encouraged to participate on a voluntary basis. Initial partners in the plan did not pay a participation fee; however, new partners in the plan, such as utility companies and large private landowners, must pay a one-time entry fee of \$2,550. In fiscal year 2014-15, the Department received approximately \$26,600 in revenue from Karner blue butterfly gifts and fees.

Cooperating Foresters. 2005 Act 166 directed DNR to establish a program allowing cooperating foresters to assist the state in the harvesting and selling of timber from state forest lands and au-

thorizing cooperating foresters to receive a portion of the proceeds from each sale. 2007 Act 20 created a continuing appropriation in the forestry account into which the portion of the sale proceeds that DNR pays to a cooperating forester is credited to make the required payments.

Further, 2011 Act 32 provides \$550,000 SEG annually in the state forests operations appropriation for timber regeneration and requires DNR to establish a program allowing cooperating foresters to assist in the regeneration of harvested areas on state lands, and to meet the annual allowable timber harvest established under s. 28.025 of the statutes. Section NR 1.26 of the administrative code addresses these requirements and specifies that tasks included in cooperating forester contracts for state land timber harvests may include: updating of forest reconnaissance; marking of trees and harvest boundaries; estimating volume; preparing maps; recommending timber sale contract terms or operational specifications; and inspecting active harvests. According to the rule, DNR will determine which of these services are appropriate to contract for on individual timber sales.

In fiscal year 2015-16, 17 projects totaling \$62,300 were contracted with 10 cooperating forester firms to assist the Department in establishing timber sales on Department-owned lands. Projects included timber sale marking, pre- and post-establishment volume cruises, and boundary line establishment.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Department of Agriculture, Trade and Consumer Protection (DATCP). The forestry account provides funding for the gypsy moth program, emerald ash borer program, and other forest pest programs in DATCP. Gypsy moth control and monitoring programs have been conducted since 1971 in a cooperative effort. The gypsy

moth is a leaf-eating pest of trees and shrubs. According to DATCP, forest pests, including the emerald ash borer, have continued to take on a higher emphasis and workload at DATCP as new pests continue to arrive in the U.S. The forestry account funding may also be used for plant protection activities, including nursery regulation and control of other plant pests. Approximately \$1.62 million annually is budgeted in the 2015-17 biennium for these purposes.

University of Wisconsin System. 1997 Act 27 appropriated \$200,000 annually for the Wisconsin Environmental Education Board (WEEB) for grants for forestry-related environmental education programs. The Board, a part of the University of Wisconsin System, is responsible for identifying needs and establishing priorities for environmental education in public schools. GPR and environmental fund SEG were also used to fund a portion of the grants. Up to 5% of the amount appropriated from the forestry account was allowed to be used for the costs of administering the grants. 2015 Act 55 eliminates forestry account funding for the WEEB beginning in fiscal year 2016-17, and the UW-System statutory requirements related to WEEB were deleted effective June 30, 2017.

Under 1999 Act 9, \$50,000 is provided annually to the University of Wisconsin – Madison Center for Cooperatives to award grants to form forestry cooperatives that consist primarily of private, non-industrial forest owners. Further, 2005 Act 25 provided \$78,000 annually with 1.0 position beginning in 2005-06 for the University of Wisconsin-Stevens Point paper science program (\$84,500 is budgeted for this purpose in 2015-16).

State Historical Society. Funding has been provided since 1997 for a position for interpretative programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County. (See "Grants to NCOs".)

Kickapoo Valley Reserve Management Board. Operations of the Kickapoo Valley Re-

serve (KVR) Management Board have been funded from the forestry account since 1997, and are budgeted at \$415,200 annually in the 2015-17 biennium. The 11-member Board is administratively attached to the Department of Tourism, and sets policy and manages the 8,600-acre Reserve in Vernon County acquired from the federal government adjacent to the Kickapoo River to preserve and enhance its unique environmental, scenic and cultural features, to provide facilities for the use of visitors and to promote the reserve as a recreational site. The forestry account also funds aids in lieu of property taxes payments to local governments for Reserve property (budgeted at \$280,000 in each year of the 2015-17 biennium). The Governor's 2015-17 biennial budget bill would have transferred the KVR to DNR, rather than the Department of Tourism for administrative purposes, but this provision was deleted under 2015 Act 55. In addition, 2015 Act 55 specifies that KVR is to be budgeted as a separate agency.

Lower Wisconsin State Riverway Board (LWSRB). The forestry account funds 25% of the operating costs of the Lower Wisconsin State Riverway Board, the remaining 75% comes from the water resources account. The nine-member board is administratively attached to DNR beginning in 2015-16, and is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development. 2015 Act 55, which transferred the LWSRB attachment from Tourism to DNR, specifies DNR is to process and forward personnel and biennial budget requests of the LWSRB without change, except as requested or concurred in by the LWSRB.

Forestry Headquarters Relocation. 2015 Act 55 requires the Department of Natural Resources to develop a plan to move the headquarters of the Division of Forestry from the City of Madison to a northern location in Wisconsin. The plan must provide, in detail, the costs of relocating the headquarters, a timeline for implementing the relocation, and a list of options for northern locations in

Wisconsin. The Act requires the plan to be completed in time to be included in the DNR 2017-19 biennial budget request. The Department submitted their "Division of Forestry Relocation" proposal alongside their 2017-19 agency budget request in September, 2016. According to the report, DNR assessed a range of options for the location of the northern headquarters and considered any interested municipality north of U.S. Highway 10. Of the 43 interested municipalities, DNR chose Hayward, Rhinelander, and Wausau, each of which currently has DNR offices. These communities were selected due to their proximity to a variety of forestry professionals and organizations with whom DNR forestry headquarters staff currently works.

The report notes that there is insufficient space available in existing DNR facilities to incorporate employees likely to relocate to a northern forestry headquarters. Therefore, the analysis estimated both the cost of new construction and the cost of leasing a facility. Both estimates were based on a lease of approximately 14,100 square feet of space and housing approximately 45 staff. For new construction, the Department estimated the cost of constructing a new forestry headquarters building in Wausau. The report assumes costs for con-

structing the headquarters in Wausau would be perhaps 10% lower than in either Rhinelander or Hayward, due to other locations having perhaps greater transportation costs for building materials and having less access to available bidders.

According to the report, DNR estimates construction of a new headquarters facility in Wausau would require: (a) \$250,000 for the purchase of a one- to two-acre building site; (b) approximately \$5.4 million in bonding for capital construction, fees, furnishings, infrastructure, and information technology needs; and (c) \$337,500 for moving expenses, as shown in Table 10. Annual costs of approximately \$542,300 would be expected, including debt service of \$431,800 and annual operations and building maintenance costs of approximately \$110,500. The Department assumes debt service would be paid from conservation fund SEG. According to the report, the estimated total cost at the end of the 20-year debt service payments would be approximately \$11.4 million.

According to the report, leasing a facility would most likely require modifying an existing building to suit forestry headquarters needs, which would involve costs to fit out the space, or finding a property that could be built to suit DNR's needs

Table 10: Forestry Headquarters Relocation Report Cost Estimates

	<u>Construction</u>		<u>Leasing</u>	
	<u>Amount</u>	<u>Description</u>	<u>Amount</u>	<u>Description</u>
Initial Occupancy Costs (One-Time)	\$250,000	Land purchase	\$746,400	Fit-out costs
	<u>337,500</u>	Moving expenses	<u>337,500</u>	Moving expenses
Subtotal	\$587,500		\$1,083,900	
20-Year Annualized Costs	\$8,635,200*	Debt service (\$431,760 annually)	\$9,263,800	Lease payments (\$362,700 initial payment Increased by 2.5% annually)
	<u>2,211,000</u>	Operations and maintenance (\$110,550 annually)	<u>91,200</u>	IT and communication costs (19 years)
Subtotal (20 Years)	\$10,846,200		\$9,355,000	
20-Year Total Cost	\$11,433,700		\$10,438,900	

*Assumes \$5,396,900 in general obligation bonds are issued to fund construction, with bonds carrying a 20-year term and an approximate 5% interest rate.

and then leased to the Department. Initial costs were estimated at \$1,083,900, as shown in the table, including: (a) the \$746,400 cost to fit out the space, including furnishings, infrastructure, and information technology needs; and (b) moving costs of \$337,500.

Using an initial annual lease payment of approximately \$362,700 for a Wausau headquarters, with 2.5% annual inflation, the Department estimated a total 20-year lease cost of \$9.26 million, plus an additional \$91,200 in estimated total information technology and communication costs, for a total annualized cost over 20 years of \$9,335,000. (The initial-year IT costs are included in the \$746,400 fit-out costs.) According to the report, the total estimated cost of leasing space after 20 years would be \$10.4 million. The timeline of any relocation would be contingent on several legislative and administrative decisions in implementing a relocation beginning in the 2017-19 biennium. Further, although DNR used a 20-year period to compare costs between the facility options, the cost advantages of either option would also likely depend on additional considerations not directly addressed in the 2016 report. These may include such factors as operation and maintenance costs throughout the lifespan of a newly constructed facility.

Parks Account

Revenue

1995 Act 27 eliminated the requirement that state park operations be funded equally from the parks account and the general fund. The percentage of GPR as a portion of the state parks operating budget has declined in recent years. For 2014-15, approximately 28% of the state park \$16.7 million budget for direct operations was GPR supported (\$4.6 million) and approximately 72% was parks SEG-supported (\$12.1 million). 2015 Act 55

removed all GPR support for parks operations, beginning in 2015-16, and also increased admission fees, trail pass fees, and camping fees, and provided additional expenditure authority from the parks account to continue base-level funding for state park and trail operations.

2015 Act 55 also requires DNR to study and prepare a report, regarding potential additional sources of revenue for parks operations and maintenance. The study was to include, at a minimum, revenue estimates for a program under which a person may voluntarily purchase a state park vehicle admission sticker when the person registers a vehicle with the Department of Transportation, and revenue estimates for increased camping fees at state parks based on local market conditions or seasonal demand, the amenities or facilities offered by a park, or other features or conditions of a park. DNR is required to report the results of the study, and recommendations for closing any structural imbalance in the parks account, to the Governor, the Joint Committee on Finance, and the appropriate standing committees of the Legislature, by December 1, 2016.

The Department's report noted that the parks account was expected to have a projected structural imbalance (authorized expenditures exceeding anticipated revenues) of approximately \$1.4 million annually. The report included four short-term revenue options as well as four long-term options, including the required option of an admission purchase through annual vehicle registrations as shown in Table 11. As noted in the report, the short-term recommendations would primarily involve demand-based pricing to align fee structures with local market conditions. According to the report, in fiscal year 2015-16, approximately 17 million people visited Wisconsin State Parks properties. The report identified six properties accounting for approximately 33 percent of total attendance, including Devil's Lake, Governor Dodge, High Cliff, Kohler-Andrae, Peninsula, and Willow River State Parks. Table 11 summarizes the estimates DNR reported for several revenue

Table 11: DNR Parks Funding Report Summary of Projected Revenue Options

<u>Option</u>	<u>Current Base</u>	<u>Projected Income</u>	<u>Projected Total</u>
<u>Short-Term Recommendations</u>			
A. Demand-Based Campsite Pricing	\$6,800,500	\$1,454,100	\$8,254,600
B. Demand-Based Park Admission Pricing	6,964,900	1,446,000	8,410,900
<u>Additional Short-Term Considerations</u>			
C. Annual and Daily Admission Fee Increase	\$6,964,900	\$1,687,400	\$8,652,300
D. Additional Campsite Electrification	6,800,500	1,810,900	8,611,400
<u>Long-Term Recommendations</u>			
E. Individual State Park Admission Pass*		\$15,585,000	\$15,585,000
F. Indoor Lodging Concessions Contracts		405,000	405,000
G. Intellectual Property Rights and Partnerships (such as trademark protection and licensing)		2,500,000	2,500,000
<u>Additional Long-Term Considerations</u>			
H. Admission Purchase through Annual Vehicle Registrations*		\$14,081,700	\$14,081,700

*These options would replace the current annual park vehicle admission stickers (and potentially the existing trail pass). Therefore, it should be noted that the projected income shown here does not reflect the current income from these fees. Actual projected revenue would be net of the existing revenue.

options.

Parks account revenues are shown in Table 12 and are generated primarily by motor vehicle admission fees to state parks and camping site fees. As shown in Table 13, motor vehicle admission fees are higher for out-of-state than in-state vehicles. 2015 Act 55 increased annual state park and forest vehicle admission fees by \$3, effective January 1, 2016. Under the Act, an annual vehicle admission fee for a resident was increased from \$25 to \$28, while an annual nonresident vehicle

admission fee was increased from \$35 to \$38. In addition, the Act also increased resident and non-resident daily and bus admissions by \$1. Further, effective January 1, 2016, the Act increased the fee for an annual state trail pass from \$20 to \$25 and for a daily trail pass from \$4 to \$5, and specified these fees in statute rather than administrative rule, as shown in Table 13. The annual admission fee for a second vehicle is one-half the regular price, if an individual or a member of the household owns a vehicle with a current annual admission sticker. No admission fee is required for any

Table 12: Parks Account Revenue

	2014-15 Actual	2015-16 Estimate	2014-15 % of Total
Park Stickers	\$6,943,900	\$7,438,300	41.9%
Campsite Fees	5,913,700	7,640,000	35.7
Campsite Reservations Vendor	1,040,600	1,010,000	6.3
Conservation Patron Allocation	774,900	750,000	4.7
Golf Fees	112,100	120,000	0.7
Trail User Fees	808,000	1,030,000	4.9
Rents, Sales, and Services	385,600	400,000	2.3
Timber Sales	392,400	60,000	2.4
All Other Revenue	<u>210,700</u>	<u>400,000</u>	<u>1.1</u>
Total	\$16,581,900	\$18,848,300	100.0%

Table 13: State Park and Forest Admission, Trails, and Camping Fees Under Prior Law and 2015 Act 55

	Prior Law	Act 55	Act 55 2015 Change to Prior Law
State Park Vehicle Admissions			
<i>Resident</i>			
Annual	\$25.00	\$28.00	\$3.00
Additional Annual	12.50	15.50	3.00
Daily Auto	7.00	8.00	1.00
Daily Bus	10.00	11.00	1.00
Senior Annual	10.00	13.00	3.00
Senior Daily	3.00	3.00	--
<i>Nonresident</i>			
Annual	\$35.00	\$38.00	\$3.00
Additional Annual	17.50	20.50	3.00
Daily Auto	10.00	11.00	1.00
Daily Bus	14.00	15.00	1.00
<i>Trail Pass*</i>			
Annual	\$20.00	\$25.00	\$5.00
Daily	4.00	5.00	1.00
State Park and Forest Camping Fees			
Resident, Per Night	\$12.00 or 15.00	\$15 to \$20	\$3 to \$8
Nonresident, Per Night	14.00 or 17.00	\$19 to \$25	\$5 to \$11
Subtotal Base Camping Increase			
Additional Camping Fees			
Electricity*	5.00	10.00	5.00
Water View	3.00	3.00	0.00
Reservation Fee	9.70	9.70	0.00

*Under the Act, the state trail pass fees and campsite nightly fee for electricity are set in statute rather than administrative rule.

vehicle that transports a person with a senior citizen recreation card, a disabled veteran recreation card, or a conservation patron license. (The senior citizen recreation card has not been available since 1991; however, it continues to convey lifetime privileges to the holder as long as the holder possesses the card and remains a resident.) Prior to 2007, an admission fee exemption existed for motor vehicles transporting students from public or private schools and home-based private educational programs to an outdoor academic class. 2007 Act 20 expanded the provision to include students from a Wisconsin accredited college or university course.

In addition, 2013 Act 20 provides an exemp-

tion to the requirement that a vehicle display a state park vehicle admission receipt to any vehicle, except a motor bus, that is in a state park vehicle admission area on Veterans Day or during the three-day weekend that includes Memorial Day and that is occupied by a resident who produces evidence that shows that he or she is a service member (service member is defined as a person who is serving on active duty in the U.S. armed forces). In addition, the Act specifies that no admission fee to enter Heritage Hill State Park or any state trail may be charged for entry by any person who on Veterans Day or during the three-day Memorial Day weekend produces evidence that shows that he or she is a state resident and a service member. Further, it provides a one-time

exemption from the annual entry fee for an annual state park vehicle admission sticker to any vehicle, except a motor bus, that has Wisconsin registration plates and that is owned by a resident who produces evidence that he or she is the owner and is a service member, and a one-time exemption from the annual state trail pass fee to any resident who produces evidence that he or she is a service member.

DNR is required to establish and maintain a list of service members who have received the one-time exemption from an annual state park vehicle admission sticker fee and a list of service members who have received the one-time exemption from an annual state trail pass fee. The Department indicates that no requests were made for these exemptions since their creation (none in fiscal year 2013-14, 2014-15, and 2015-16).

Revenue to the parks account is also derived from other charges, such as camping reservations, trail use fees, golfing at Peninsula State Park and swimming at Blue Mounds State Park. In addition, a portion of the revenue from the sale of patron licenses is deposited in the parks account to reflect the parks-related privileges granted to patron license holders (annual park admission sticker, trail pass and Heritage Hill State Park admission).

Camping site fees are also a primary source of revenue to the account. Although minimum fees are established by statute, DNR may designate, by rule, properties to which higher fees apply based, in part, on local market conditions, the types of conveniences offered at the campground, and the level of use. Site fees for nonresidents are higher than the site fees for residents. 2015 Act 55 eliminates statutory references to Type "A," "B," and "C" campsites and specifies that base fees for a campsite in Wisconsin be not less than \$15 but not more than \$20 per night for residents and not less than \$19 but not more than \$25 per night for nonresidents as determined by the Secretary of DNR. Under the Act, action taken by DNR to implement the camping fees within the specified range does

not require the Department to promulgate administrative rules. In addition, the Act specifies that the DNR Secretary may raise or lower the nightly camping rates by \$5 above or below these ranges. The Department indicates that nightly fees would vary within the specified range depending on the location of the park, demand, and season.

Further, the Act specifies that the additional nightly camping fee for electricity be \$10 (rather than the \$5 previously specified in administrative rule). Table 13 identifies vehicle admission fees and minimum camping fees assessed for use of state park and forest properties under prior law and under 2015 Act 55, while Appendix IV shows current family/modern camping fees by park. The majority of campsites in the state park system are family or modern campsites. A typical one of these campsites is in a natural setting with road access, a fire ring and a picnic table and can be used by vehicle or tent campers. These campsites are for one to six people and may have electricity. A family/modern campsite may be occupied by a parent or parents with their dependent children and not more than two guests or a group of not more than six persons, regardless of age.

Additionally, the Department is currently statutorily authorized to waive camping fees, charge additional camping fees, or charge special fees instead of camping fees for certain classes of persons or groups, certain areas, certain types of camping, or times of the year and for admission to special events. Prior to 2015 Act 55, the Department had utilized this authority for several purposes including charging a \$3 fee for water view campsites, a \$5 fee for electricity, and certain other fees for group camping. Other provisions authorize the Department to charge an additional fee of \$1 for each pet accompanying a camping party and an additional \$1 per night per camping party for a Friday, Saturday, or Sunday night. However, the Department has not utilized the pet or weekend authority. Under Act 55, as noted, the electric fee is set statutorily at \$10 per night, and while the authority to charge these additional fees remains,

DNR is not currently charging the water view fee.

Expenditures

Currently, DNR park staff operate 77 recreational properties open to the public, including: 45 state parks (another five state parks are state-owned but operated locally by municipalities or non-profit groups); 15 state trails (another 25 trails are state-owned, but locally operated and maintained); two national scenic trails; eight southern forests; and seven recreation areas (an eighth recreation area, Capital Springs, is owned by the state but primarily operated by Dane County, and a seventh recreation area, Fisher Creek, is owned by the state but operated by Manitowoc County). Appendix V lists the state parks and recreation areas operated by state parks staff. In addition, some properties are owned by the state and operated by local units of government, such as Copper Culture State Park, or nonprofit organizations, such as Heritage Hill State Park. Also, some properties have been designated by the Natural Resources Board, but are not developed or are under development and property operation remains largely unfunded with only limited services provided. Management of properties can also change over time. For example, under 1999 Act 9, the management of the Wisconsin Dells State Natural Area was transferred from the Bureau of Endangered Resources to the Bureau of Parks and Recreation. As noted, parks and southern forests received an estimated 17 million visits in fiscal year 2015-16.

The state park system properties contain 5,087 campsites (including sites currently being developed and 1,091 southern forest campsites), 1,420 acres of picnic areas and 32 properties with beaches totaling approximately 20 miles in length. The state recreation system also includes an extensive network of trails, some of which are open to multiple uses. This trail system, encompassing all state parks, recreation areas, forests and trails, includes: (a) 2,160 miles of hiking trails; (b) 1,964 miles of snowmobile trails; (c) 1,230 miles of bicycle trails (including 343 miles of mountain bike

trails); (d) 524 miles of groomed cross-country ski trails; (e) 827 miles of horse trails; (f) 455 miles of ATV trails; and (g) approximately 90 miles of nature trails.

The operating costs for the parks system include staff costs for: (a) park managers, who supervise the daily operation of state parks; (b) park rangers, who are primarily responsible for enforcement and skilled maintenance activities; (c) park naturalists, who develop and present the educational programs offered at the parks; (d) visitor services staff; and (e) maintenance personnel. Operations costs also include supplies for utilities, including electricity and fuel, sewer and water, cleaning, and maintenance. Limited-term and seasonal employees are utilized extensively in the state park system.

Under section 27.01 of the statues, DNR retains \$1 of each camping reservation fee collected by a private vendor, Active Network. Active Network collects all of the reservation fees and the general campsite fees and then remits the revenue from these fees to DNR, where they are deposited in the parks and forestry accounts. The Department then returns \$8.65 of every \$9.65 to Active Network from an appropriation in the parks and forestry accounts. In 2014-15, the vendor payment totaled approximately \$1.4 million, including \$1.03 million from the parks account.

Current law authorizes DNR to charge fees, in addition to vehicle admission fees, for special programs and events in state parks. 2007 Act 20 created a SEG continuing appropriation into which revenue from educational and interpretive programs in state parks is credited, to be used for costs associated with those programs. Revenues totaled \$30,200, with expenditures of \$44,300 in 2014-15.

Split-Funded Appropriations. Functions that are funded by several conservation fund accounts are described under the "General Conservation Fund" section near the end of this paper.

Table 14: Parks Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff
Parks and Recreation Program Operations	\$11,573,300	\$17,038,800	75.5%	134.25
Campground Reservation Fees	1,029,600	958,600	6.7	0.00
Parks Interpretive Fees	44,300	0	0.3	0.00
Split-Funded Appropriations				
Administration and Technology Services	909,500	1,043,800	5.9	7.81
Customer Assistance and Employee Services	249,300	255,100	1.6	1.55
Land Program Management	449,900	425,000	2.9	2.96
Bureau of Facilities and Lands	482,800	563,500	3.1	5.45
Administrative Facility Repair and Debt Service	177,600	448,800	1.2	0.00
Aids in Lieu of Taxes	21,900	22,000	0.1	0.00
Resource Acquisition and Development	84,800	125,500	0.6	0.00
Taxes and Assessments	24,400	54,800	0.2	0.00
Rent and Property Maintenance	270,700	185,600	1.8	0.00
Miscellaneous	1,100	0	0.0	0.00
Other Agency Appropriations				
Tourism Appropriation	<u>9,500</u>	<u>12,100</u>	<u>0.0</u>	<u>0.00</u>
Total	\$15,328,700	\$21,133,600	100.0%	152.02

Parks account funding (\$12,100 annually in the 2015-17 biennium) is also provided for general program operations in the Department of Tourism. Table 14 identifies expenditures from the parks account for 2014-15 and 2015-16.

identifies 2014-15 and 2015-16 revenues and expenditures from the water resources account.

Water Resources Account

Revenue

The main source of revenue to the water resources account, created in 1987 Act 27, is an annual transfer of motorboat fuel tax revenue into the account. The amount of the transfer each fiscal year is calculated by multiplying the motor fuel tax on 50 gallons of gasoline on April 1 of the previous fiscal year by the number of motorboats registered as of January 1 of the previous fiscal year, and then multiplying this result by 1.4. In 2016-17, DNR is expecting \$13,111,200 to be transferred to the water resources account under this formula (606,160 motorboats x 50 gallons per motorboat x 30.9¢ per gallon x 1.4). Table 15

Expenditures

Funding from the water resources account is used to support: (a) development of state and local recreational boating facilities; (b) lake and river management activities and grant programs; (c) dam inspection and safety; and (d) a portion of the operational management of the Fox River locks system.

Recreational Boating Projects. Under this program, the Department provides grants to municipalities, counties, town sanitary districts, public inland lake protection and rehabilitation districts, qualified lake associations, and the Lower Wisconsin State Riverway Board for up to 50% of the costs of developing recreational boating facilities approved by the Waterways Commission. (The Milwaukee River Revitalization Council, a previously eligible grant recipient was eliminated under 2015 Act 55 under a provision eliminating inactive boards and councils.)

Table 15: Water Resources Account Revenue and Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff
Revenue				
Fuel Tax Transfer	\$12,883,500	\$13,176,400	100.0%	
Investment and Other Income	<u>2,300</u>	<u>20,000</u>	<u>0.0</u>	
Total Revenue	\$12,885,800	\$13,196,400	100.0%	
Expenditures				
Recreational Boating Projects	\$395,800	\$400,000	3.2%	0.00
Lake, River and Invasive Species Management	2,950,800	3,169,000	24.1	18.50
Lake Protection Grant Program	1,950,100	2,252,600	15.9	0.00
Aquatic Invasive Species Grants	3,738,600	4,029,100	30.5	0.00
River Protection Grant Program	208,900	289,500	1.7	0.00
Dam Safety and Wetland Mapping	632,800	676,000	5.2	6.00
Dam Safety Debt Service	514,000	505,100	4.2	0.00
Public Health	12,800	24,700	0.1	0.00
State Boat Access Sites	137,300	184,800	1.1	0.00
State Boat Access Sites to Southeastern Lakes	34,000	92,400	0.3	0.00
Water Resources Enforcement	215,700	239,900	1.8	2.20
Resource Inventory	121,600	121,600	1.0	0.00
Assistance for Private Conservation Activity	146,700	0	1.2	0.00
River Protection Grant Program Nonprofit	84,300	0	0.7	0.00
Mississippi-St. Croix River Management	3,200	57,700	0.0	0.00
Miscellaneous	600	0	0.0	0.00
Split-Funded Appropriations				
Administration and Technology Services	395,300	456,100	3.2	3.50
Customer Assistance and Employee Services	318,100	298,000	2.6	3.39
Water Program Management	8,300	2,200	0.1	0.00
Bureau of Science Services	94,400	84,800	0.8	0.40
Enforcement and Science Management	10,100	9,500	0.0	0.07
Resource Acquisition Development and Maintenance	8,800	9,000	0.1	0.00
Other Agency Appropriations				
Lower Wisconsin State Riverway Board	160,200	170,400	1.3	1.50
Fox River Navigational System Authority	<u>125,400</u>	<u>125,400</u>	<u>1.0</u>	<u>0.00</u>
Total Expenditures	\$12,267,800	\$13,197,800	100.0%	35.56

The Waterways Commission is a five-member board appointed by the Governor with the advice and consent of the Senate for staggered, five-year terms. The Commission is attached to DNR and consists of the following members: (a) one resident of the Lake Superior area; (b) one resident of the Lake Michigan area; (c) one resident of the Mississippi River area; (d) one resident of the Lake Winnebago watershed area; and (e) one resident from the inland area of the state. Each member must be able to assess the recreational water use problems in his or her geographical area of the

state. The Waterways Commission approves recreational boating projects found to be feasible and supported by the local unit of government or qualified sponsor.

A recreational boating project grant may be used to support up to 60% of project costs if the sponsor conducts a boating safety enforcement and education program approved by DNR. Feasibility studies, which are eligible for state cost-sharing, must be completed for any project before it is assigned to a priority list. Grants are available

for recreational boating projects that include providing public access (boat ramps and related parking facilities), navigational aids or markers, dredging, weed removal, and capital equipment used for trash or debris removal.

1997 Act 27 provided DNR with the authority to provide grants for up to 80% of the costs of developing recreational boating facilities (and up to 90% if the sponsor conducts a boating safety program) if the project is deemed to be of regional or statewide importance by the Waterways Commission. Under administrative rule, "statewide significance" is determined by the Waterways Commission based on criteria varying by water body type. For projects located on lakes or flowages, all of the following criteria must be met: (a) the lake must be at least 1,000 surface acres in size, or the project must be located on Lake Superior or Lake Michigan; (b) the site must have, or will have as a result of the project, a boat launching facility protected by a breakwater structure; and (c) the project must be located on a lake or flowage that has the minimum number of car-trailer unit parking spaces, or will have the minimum number of spaces as a result of the project, required under administrative rule NR 1.91. For projects located on rivers, the project must meet all of the following criteria: (a) it must be located on the Mississippi River; (b) it must provide motorized boating access at a site that is more than 10 miles from another motorized boating access site; and (c) the project must provide a minimum 15 car-trailer unit parking spaces at the site.

The following restrictions apply to the distribution of grants: (a) no more than 10% of state funding may be expended for feasibility studies in any year, and no more than 1% may be provided for any one feasibility study; (b) at least 40% of state funding must be expended for Great Lakes projects, 40% must be expended for inland lakes projects and 20% may be expended for projects deemed necessary by the Waterways Commission without regard to location; and (c) no state funds may be used for the acquisition of land or for the

construction of berths.

Under administrative rule NR 51, if, by the date of the grant award, a project sponsor fails to establish boat launch fees as a method to pay for maintenance of existing landings under the sponsor's jurisdiction, the Waterways Commission may reduce that grant award by a percentage to be determined by the Commission during each grant cycle, not to exceed 25% of the total grant award amount. The statutes limit boat launching fees to a "reasonable fee," set in administrative rule NR 1.91(11) as a maximum base fee equal to the daily park admission fee (currently \$7) plus additional fees for attendants on duty, toilet facilities and larger boats (from 20% to 60%). A season pass may not exceed 10 times the daily launch fee and nonresident fees, if charged, may not exceed 150% of municipal resident fees.

2005 Act 25 reduced the amount appropriated for recreational boating aids from \$4.5 million in 2004-05 to \$3.1 million annually beginning in 2006-07, while providing an additional \$1 million for invasive species control grants. 2007 Act 20 transferred \$2.5 million beginning in 2008-09 of water resources SEG from recreational boating project aids to the distribution of grants for the control of aquatic invasive species. This amount was replaced by stewardship program bonding of \$2.5 million annually beginning in 2008-09.

2013 Act 20 directed DNR to provide a \$200,000 grant to the Southeastern Wisconsin Fox River Commission, in fiscal year 2013-14 (*See "Grants to NCOs"*). Further, 2015 Act 55 directed DNR to provide the \$200,000 grant to the Southeastern Wisconsin Fox River Commission in fiscal year 2015-16, bringing the total amount provided to the Commission from the water resources account to \$1,675,000 since its creation. In fiscal year 2015-16, \$2,917,600 (including \$2.5 million in stewardship program bonding, and \$417,600 in water resources account SEG) was awarded for recreational boating grants, including the \$200,000 grant to the Southeastern Wisconsin Fox

River Commission.

Lake, River, and Invasive Species Management. The water resources account supports 18.5 Department staff who are responsible for surface water monitoring and water resources management and oversee the state's aquatic invasive species program. Funding is used to conduct diagnostic studies, support demonstration projects and develop and distribute information on lakes and river management to lake districts and waterfront property owners. Staff also provide technical and educational assistance to local governments, including public inland lake rehabilitation districts and lake and river associations. Funds are also used for monitoring aquatic invasive species, public education and boat inspection efforts, and for research related to the control of invasive animal and plant species. In 2015-16, \$3,169,000 was appropriated for lake, river, and invasive species management, and \$3,099,000 is appropriated for 2016-17.

Lake Protection Grant Program. Under 1999 Act 9, funding for lake management and classification grants was merged with lake planning grants to form the consolidated lake protection grant program.

Lake protection grants may be awarded for a variety of purposes, including management projects that will improve or protect the quality of water in lakes, flowages, or natural lake ecosystems. A grant for a lake management project may be made for up to 75% of the cost of the project, up to \$200,000 per grant. Counties, municipalities, non-profit conservation organizations, qualified lake associations, town sanitary districts, certain school districts, and public inland lake protection and rehabilitation districts are all eligible to apply for grants for lake management projects. Eligible activities include: (a) the purchase of land or conservation easements, if the purchase will substantially contribute to the protection or improvement of a lake or natural lake ecosystem's water quality; (b) wetland restoration; (c) restoration of shoreline

habitat; (d) development of local regulations or ordinances that will protect or improve the water quality of a lake or natural lake ecosystem; and (e) an activity that is approved by DNR, and that is needed to implement a recommendation made as a result of a plan to improve or protect the quality of water in a lake or natural lake ecosystem. By administrative rule, the minimum allowable membership fee for a qualified lake association is \$5 annually, and the maximum is \$50 annually.

Lake protection grants may also include lake classification activities for: (a) lake classification project grants of up to \$50,000 per county for up to 75% of the costs for the development and implementation of lake classification and subsequent protection programs; and (b) lake classification technical assistance grants of up to \$200,000 each to nonprofit corporations to provide educational and technical assistance to local units of government and lake management organizations that will participate in a lake classification project. Since fiscal year 1998-99, this has primarily included one contract for \$200,000 awarded annually to Wisconsin Lakes. 2015 Act 55 eliminated the \$200,000 in funding for the lake classification technical assistance grants. [*See Grants to NCOs*].

In addition, DNR may distribute grants for lake planning projects. Examples of eligible activities include data collection, mapping, water quality assessment, nonpoint source pollution evaluation, management strategy development and other projects that would provide baseline information on the status of lakes. 2011 Act 32 increased the maximum lake planning grant award from \$10,000 to \$25,000 per grant. In addition, the Act reduced the maximum share of state funding from 75% of project costs to 67% of project costs. Further, the Act specifies that lake planning grants may not exceed \$50,000 per fiscal year (two \$25,000 grants) for lake planning projects on any one lake.

Aquatic Invasive Species Grants. DNR administers a financial assistance program awarding

cost-sharing grants to local units of government and other entities for up to 75% of the costs of projects to prevent or control aquatic invasive species, and for education and inspection programs at boat landings. 2007 Act 20 deleted a requirement that projects be awarded only to local government units. This action made any public or private entity eligible for a state grant. In the 2015-17 biennium, \$4,029,100 is appropriated each year for aquatic invasive species grants.

Lake Monitoring and Protection Grants.

Section 261.68 of the statutes allows DNR to award contracts to public groups or individuals for the creation and support of a statewide lake monitoring and protection network. 2015 Act 250 expands the types of costs covered under the contracts to include the costs of lake surveys and watercraft inspection and the costs of producing and distributing lake survey results and reports (in addition to the covered costs of training, equipment, and supplies necessary for water quality sample collection). In addition, the Act provides that counties and public or private entities that manage aquatic invasive species under a DNR-approved management plan are qualified to participate in the statewide lake monitoring network under the lake monitoring contracts program. Under the Act, up to 25% of funds appropriated for lake monitoring and protection grants, aquatic invasive species grants, and river protection grants, may be used for lake monitoring contracts, rather than 10% of lake monitoring and aquatic invasive grant funding previously. (See "*Grants to NCOs*").

River Protection Grant Program. A river protection grant program was created in 1999 Act 9 and was split-funded from the nonpoint account and the water resources account. 2003 Act 33 eliminated the contribution from the nonpoint account, and increased funding from the water resources account by the same amount. \$289,500 has been appropriated annually since 2011-12. Prior to 2015 Act 55, any unencumbered funding in the river protection grants appropriation at the end of each fiscal year was transferred to the lake

protection grant appropriation. Act 55 converted the appropriation to a biennial appropriation and removed the requirement that any unencumbered balance in the appropriation at the end of each fiscal year be transferred to the lake protection appropriation. As a biennial appropriation, funds not utilized in the first year of the biennium for river protection grants would remain available in the second year for river protection grants and any funds not committed at the close of the biennium would lapse to the balance of the water resources account. As noted previously, under 2015 Act 250, the total amount of lake monitoring contracts for each fiscal year may not exceed 25% of the total amount appropriated for the lake protection and monitoring and aquatic invasive species grant programs and adds river protection grants (\$1,642,800 in 2016-17).

DNR distributes river protection grants to improve or protect the quality of water in rivers, streams and flowages. These grants are limited to 75% of project costs, up to \$50,000 per grant for management projects and \$10,000 per grant for planning projects. Eligible grant recipients include counties, cities, towns, villages, qualified lake or river associations, town sanitary districts, public inland lake districts, nonprofit conservation organizations and other local governmental units that are established for the purpose of lake or river management. Grants under this program may be used for activities that contribute to the protection or improvement of a river's water quality or its natural ecosystem. Eligible management activities include: (a) purchase of land or conservation easements; (b) restoration of wetlands, in-stream, or shoreline habitat; (c) development of local regulations or ordinances; (d) installation of pollution control practices; and (e) other activities as determined by DNR. Eligible planning activities include: (a) data collection; (b) assessments of water quality, fish, aquatic life, and habitat; (c) assessments of the uses of a river and surrounding land; (d) nonpoint source pollution evaluation; (e) programs and materials to assist in forming river management organizations; and (f) informational

or educational materials that address protection of rivers, their uses, and improvements to river habitat.

Dam Safety and Wetland Mapping Program. DNR prepares and maintains maps of wetland areas throughout the state to better protect wetland resources and to provide information to individuals seeking permits that may impact these areas. Wetland areas too small to classify and delineate are identified as point symbols on the maps. Counties, cities, and villages set minimum shoreland-wetland zoning ordinances based on the Wisconsin Wetland Inventory maps.

There are approximately 3,900 dams located on waterways in Wisconsin. Of these, approximately 1,030 are classified as large dams. 2009 Act 28 made a number of changes to dam inspection requirements including a change to the definition of a large dam. A dam is considered a large dam if it: (a) has a structural height of 25 feet or more that can impound more than 15 acre-feet of water (same as prior law); or (b) has a structural height of six feet and impounds 50 acre-feet or more of water. Prior to 2009, DNR was required to inspect large dams at least once every 10 years. DNR is now required to classify each dam in the state as: (a) high-hazard - a large dam the failure of which would probably cause loss of human life; (b) significant-hazard - a large dam the failure of which would probably cause significant property damage but would probably not cause loss of human life; or (c) low-hazard- a large dam the failure of which would probably not cause significant property damage or loss of human life. DNR is required to inspect each high-hazard dam and each significant-hazard dam at least once every ten years. In addition, an owner of a large dam is required to hire a professional engineer to inspect the dam as follows: (a) for a high-hazard dam - four times between each inspection by DNR; (b) for a significant-hazard dam- at least two times between each DNR inspection; and (c) for a low-hazard dam- at least once every 10 years. Owners are also required to submit a report to the Depart-

ment detailing the inspection results within 90 days of inspection. The dam inspection requirements do not apply to a dam that is inspected periodically by or under the supervision of a federal agency in a manner which is acceptable to DNR (such as federally-regulated hydroelectric dams) and if the results of each inspection are made available to the Department.

Dam Safety Debt Service. Since the 1989-91 biennium, DNR has administered the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns and public inland lake protection and rehabilitation districts for the repair, reconstruction, or removal of municipal dams. To qualify for a grant, the locality must own a dam that has been inspected by DNR and be under a DNR directive to repair or remove the dam. Dam safety grants may also be awarded to remove abandoned dams or to a private dam owner to voluntarily remove their dam. A total of \$28.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million in each of the last four biennia. Debt retirement costs on \$21.5 million (75%) of program bonds are funded with general purpose revenues. The debt service on the remaining \$6.6 million (25%) is funded from the water resources account.

Grants for dam repair and reconstruction may be provided for up to 50% of the first \$400,000 in project costs and up to 25% of the next \$800,000 in project costs (\$400,000 maximum grant award for a \$1.2 million project). 2011 Act 32 removed a six-month time limit in which municipalities were required to request grant funding after receiving inspection directives or administrative orders from DNR. Dam owners are still required to be under an administrative order or inspection directive in order to be eligible for a dam safety grant.

Utilizing the \$24.1 million in bonding revenues authorized by the Legislature up to and including the \$4 million authorized in 2013 Act 20,

the program funded the repair or reconstruction of 123 municipally owned dams and the removal of 47 small, abandoned, or municipally owned dams. Using the \$4 million authorized in 2015 Act 55, as of November, 2016, the Department had awarded, or had pending, 19 grants for the repair or reconstruction of municipal dams, and had awarded four dam removal grants with one removal grant pending, for an estimated total state cost of \$3.8 million.

DNR is required to keep an inventory of all dams requiring a dam safety project and provide notice to the owner of a dam that is included in the inventory, and DNR is required to establish a notice and hearing process for a dam owner to object to the inclusion of the owner's dam on the inventory list.

In addition, 2011 Act 32 specified that DNR set aside \$6,000,000 in existing bonding revenue, from the land acquisition subprogram of the Warren Knowles-Gaylord Nelson stewardship program, for dam safety grants to counties. Debt service on stewardship program bonds is primarily paid with GPR, although forestry account SEG also contributes. The grants may only be awarded for a county-owned dam that is under an order by DNR for maintenance, modification, abandonment or removal as of July 1, 2011. Grants may be provided for up to 25% of eligible project costs, with a maximum grant award of \$2,500,000 (\$10,000,000 project). Of this amount, as of November, 2016, DNR had awarded a total of \$938,600 to Vernon County, with an additional grant for an estimated total state cost of \$375,000 to Vernon County pending. In addition, the Department indicated that a grant application from Milwaukee County for the repair or removal of the Estabrook Dam for an estimated state cost of roughly \$1.5 million to \$2.0 million was also pending.

Public Health -- Water Monitoring. 2005 Act 25 created an annual appropriation to support

public health activities in the Integrated Science Services Bureau relating to surface water quality.

State Boat Access Sites. The Department is budgeted water resources account funds in two appropriations for state-owned facilities. DNR is appropriated \$277,200 annually to fund the development of state-owned boating facilities, of which at least \$92,400 must be used for facilities located in a 16-county region in southeastern Wisconsin.

Water Resources Law Enforcement. Beginning in 2003-04, 2.2 conservation warden positions were transferred from GPR to water resources account SEG. This transfer was based on DNR enforcement activity reports that indicated an equivalent number of enforcement hours were devoted to water resource protection efforts, such as public and private water supply and polluted water runoff enforcement.

Resource Inventory. The Department maintains an aquatic and terrestrial resources inventory to better catalog natural resources statewide, and to integrate knowledge gained from the inventory in statewide planning efforts to better protect the available resources.

Nonprofit Conservation Organization Aids. Funding of \$212,400 in 2014-15 was provided from the water resources account for grants to select non-profit conservation organizations, including grants to Gathering Waters and the Natural Resources Foundation (these grants were also partially funded by the forestry account) and the River Alliance of Wisconsin. Ongoing funding for these grants was eliminated under 2015 Act 55. (*See "Grants to NCOs"*).

Mississippi and St. Croix River Management. Funding of \$57,700 each year in the 2015-17 biennium is provided for habitat and recreational projects and for environmental and resource management studies on the Mississippi and Lower St. Croix Rivers.

Lower Wisconsin State Riverway Board (LWSRB). The water resources account provides 75% of the SEG for the LWSRB, which is intended to preserve and protect the scenic beauty and natural character of the Lower Wisconsin State Riverway through controlled land use and development. The remaining 25% is funded from the forestry account.

Fox River Navigational System Authority. The water resources account partially funds operational and management costs for the locks and associated harbors, property, structures, and facilities on or near the Fox River between Green Bay and Lake Winnebago. This activity is also supported from federal monies, user fees and donations. Ongoing support of \$125,400 SEG annually is provided.

Boat Registration Account

Article IX of the Wisconsin Constitution specifies that the state's navigable waters "shall be common highways and forever free" to Wisconsin and U.S. citizens "without any tax, impost, or duty therefore." As a result, the use of revenue from boat registration fees has been limited to boating safety and law enforcement purposes by court interpretation of this constitutional provision.

Revenue

The primary source of revenue deposited in the boat registration account is the registration fee collected for all motorized boats and sailboats over 12 feet in length operated on state waters. Beginning in 2000, all boat registrations are valid for up to three years, beginning on April 1 of the year in which the registration is issued and ending on March 31 of the third year after issuance. Motorized boat registration fees vary according to boat length. 2007 Act 20 increased boat registration fees by approximately 15%. Further, 2009 Act 28 increased motorized boat registration fees again by approximately 15%; fees for voluntarily registered non-motorized boat registrations, fleet registrations, registration transfers, and dealer/manufacture certifications remain unchanged. Current boat registration fees are shown in Appendix VI.

Other sources of revenue to the boat registration account include: (a) boat titling and lien fees; (b) fees paid by people enrolled in boat safety programs; and (c) 1% of the sales tax revenue the Department collects from people who have purchased boats and have not provided proof that a sales tax was paid, which is required before the boat can be registered.

Table 16 identifies revenue to the boat registration account for fiscal years 2014-15 and 2015-16.

Table 16: Boat Registration Account Revenue

	2014-15 Actual	2015-16 Estimate	2014-15 % of Total
Motorized Boat Reg, Under 16 ft	\$2,053,100	\$2,365,000	28.5%
Motorized Boat Reg, 16 to 26 ft	3,940,000	4,000,000	54.6
Motorized Boat Reg, 26 to 40 ft	191,100	205,000	2.6
Motorized Boat Reg, Over 40 ft	20,700	25,000	0.3
Motorized Fleet Registrations	55,100	70,000	0.8
Other Registration Fees	245,400	250,000	3.4
Nonmotorized Boat Registrations	80,100	90,000	1.1
Boat Title and Lien Fees	201,000	200,000	2.8
Education and Safety	35,100	38,200	0.5
Other Revenue	<u>392,800</u>	<u>281,800</u>	<u>5.4</u>
Total	\$7,214,400	\$7,525,000	100.0%

Expenditures

Boating account revenues are used to fund: (a) state costs of boating law enforcement by DNR conservation wardens and of administration of boating safety programs, and (b) aids to municipalities for up to 75% of the costs of local boating law enforcement and safety programs.

Boating Enforcement and Safety Training.

The Department utilizes conservation wardens to enforce the state's boating and related safety laws. During 2015-16, permanent conservation wardens issued 1,189 citations for boating-related violations. Funds from the boat registration, snowmobile and ATV accounts also support an integrated online boat, snowmobile, and ATV registration processing system.

The Department's safety training program disseminates boating safety information and administers a statewide program of safety courses conducted by local instructors trained, certified and supervised by DNR conservation wardens. The course material presented covers general boating laws and safety tips for the operation of all types of watercraft. Anyone born after January 1, 1989, is required to take the course and obtain a certificate to operate a motorized boat without the supervision of an adult. The courses are open, however, to anyone wishing to enroll. In addition to the traditional classroom courses offered for a \$10 fee, DNR also offers online boat education courses at a cost of \$30. DNR retains \$1 of the fee for each completed online course.

In addition, Wisconsin residents and visitors who do not already possess a valid boating safety certificate, but who wish to rent a boat or personal watercraft to operate on Wisconsin waters may obtain a temporary certificate, valid only for the year in which it is issued. Boat rental businesses provide instruction to boat renters who are required to have safety education but have not completed the standard course (rental businesses collect \$10 per student and remit \$5 per student to the

Department). The temporary certificate program is also offered online (DNR retains \$1 of the \$11 fee for each online course completed). In fiscal year 2015-16, 14,783 people received certificates in boat safety courses including 12,715 through online courses. In addition, 2,351 people received temporary certificates for boat or personal watercraft rental including 693 through online courses.

Boating Enforcement Aids to Municipalities.

The Department distributes aids to municipalities for the costs of local boating law enforcement, search and rescue, and safety activities. Municipalities are eligible for up to 75% of their approved costs, but aid payments are prorated if claims exceed the appropriation level. No municipality may receive aid amounting to more than 20% of the funds available. For enforcement activities that occurred in calendar year 2015, 99 municipalities received reimbursements totaling \$1,786,000 (including \$400,000 in federal funds), which represented 69% of the approximately \$2.6 million in eligible local water patrol activities. Local boat patrols logged approximately 40,900 hours and issued approximately 3,700 citations.

Table 17 identifies expenditures from the boat registration account for fiscal year 2014-15 and 2015-16.

All-Terrain Vehicle Account

The Department administers a state recreational program for all-terrain vehicles (ATVs). Further, 2011 Act 208 included the administration of the utility terrain vehicle (UTV) program under the ATV account. Generally, ATVs are smaller than UTVs, with less hauling capacity, less seating, and greater maneuverability. Currently, under s. 340.01(2g) of the statutes, an ATV is defined as "an engine-driven device which has a net weight of 900 pounds or less, which is originally manu-

Table 17: Boat Registration Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff
State Boating Enforcement and Safety	\$2,741,800	\$2,855,100	48.5%	21.00
Boating Enforcement Aids	1,386,000	1,386,000	24.5	0.00
Administration and Technology Services	311,700	358,800	5.5	2.68
Customer Assistance and Employee Services	1,000,100	1,001,300	17.7	9.28
Resource Acquisition, Development and Maintenance	7,000	7,100	0.1	0.00
Enforcement and Science Management	96,400	91,000	1.7	0.70
Education and Safety	24,600	38,200	0.4	0.00
Handling Fees	88,300	42,700	1.6	0.00
Miscellaneous	<u>400</u>	<u>0</u>	<u>0.0</u>	<u>0.00</u>
Total	\$5,656,300	\$5,780,200	100.0%	33.66

factured with a width of 50 inches or less, which is equipped with a seat designed to be straddled by the operator and which is designed by the manufacturer to travel on three or more low-pressure tires."

On the other hand, UTVs are generally larger, wider, and heavier, often have side-by-side seating, and a large rear cargo hold, and may have truck-like cabs and seats that allow riders to sit upright, rather than straddle a seat as is common on an ATV. However, 2011 Act 208 classified what might have been considered large ATVs (vehicles with three or more wheels, a straddle seat, and a weight of 900 or more pounds) as UTVs for the purposes of Wisconsin regulation. 2015 Act 55 repeals section 23.33(1)(ng)1.(c) of the statutes which specifies that the definition of a utility terrain vehicle (UTV) includes [among a number of provisions] a cargo box installed by the manufacturer. Under the Act, a vehicle would not need to have a "cargo box installed by the manufacturer" to be considered a UTV. Under current law, DNR or a federal agency, county, or municipality may designate ATV routes and trails where UTV use is permitted or routes where it is prohibited. No UTV may be operated on an ATV route, trail, or corridor unless the relevant authority has designated the route, trail, or corridor as open to UTVs.

In addition, 2015 Act 170 created regulations

pertaining to off-highway motorcycles (OHM). Generally, the Act is effective October 1, 2016. The Act defines an OHM as a two-wheeled motor vehicle that is straddled by the operator, that is equipped with handlebars, and that is designated for off-highway operation, regardless of whether it is also designed for on-highway operation. Further, the Act requires DNR to develop, encourage, and supervise a system of OHM trails and routes. The Act also allows a county, city, village, or town, or DNR, to designate OHM routes and corridors through land that it owns or controls for use as OHM trails.

Similar to the operation of ATVs and UTVs, Act 170 requires a person to register the OHM with DNR, or purchase a nonresident trail pass, to operate an OHM "off-highway," with certain exceptions. The Act specifies that the registration is \$30, and is valid for a two-year period beginning on April 1, or the date of issuance or renewal, and ending March 31 of the second year following the date of issuance or renewal. Registration decals provided by DNR as part of the registration fee must be affixed on the exterior of the motorcycle where the decal is clearly visible and legible. Owners may operate OHMs without a decal if they have been issued a temporary operating receipt showing that they have submitted the required registration fees to DNR. The Act also requires registration of retail OHM dealers and creates a private operations registration permit and

commercial registrations similar to ATV and UTVs.

Under the Act, all OHM registration revenues are deposited in the state transportation fund. The Act creates a GPR sum-sufficient appropriation equal to the amount, calculated by DNR by January 1 of each fiscal year, of the total amount of OHM registration fees received by the Department in the previous fiscal year. The appropriation is to be used for: (1) OHM projects undertaken by the state or by local government units including: (a) acquisition of an easement or land in fee simple; (b) an OHM facility such as a parking area, riding area, shelter, toilets, or other improvement; (c) development of OHM routes or OHM trails, (d) development or maintenance of an ATV trail, route or facility or snowmobile trail route or facility if the trail, route or facility is open for use by OHMs; (e) maintenance of OHM trails and OHM routes, including routes on roadways that are not maintained or only minimally maintained for motor vehicle traffic on a seasonal basis; (f) purchase of liability insurance; and (g) up to 100% of the costs of placing signs briefly explaining the law regarding intoxicated operation of an OHM; (2) for issuing and renewing OHM registrations; (3) for OHM safety grants under the grant program created under Act 170 (similar to the ATV safety grant program); and (4) for state and local law enforcement operations related to OHMs. Fiscal year 2017-18 will be the first fiscal year where funds are available under the appropriation.

Further, the Act includes a number of provisions related to operation of OHMs, including restrictions related to operation on a highway, adjacent to a highway, and within a specified distance of a dwelling, people not operating motor vehicles, and fishing shanties. The Act also creates an intoxicated operation law for OHMs similar to the intoxicated operation laws for ATVs and UTVs, exempts OHM operation "off the highways" from the mandatory liability insurance law and driver license requirements, and imposes helmet restrictions for riders under 18 years old. Further,

the Act prohibits operation by riders under 12 years old on a highway under any circumstance. A parent or guardian or a designated adult is required to provide continuous verbal direction or control for off-highway operation by a person under 12 years old, and Act 170 requires operators 12 years old or older born after 1997 to have completed the safety program created under the Act. The Act creates an OHM Council, consisting of five members who must be members of OHM clubs, to advise DNR on matters relating to OHM trails and routes, and on matters relating to the operation of OHMs.

Revenue

The main source of revenue to the ATV account is from ATV UTV registrations. An ATV or UTV may not be operated in the state unless it is registered with DNR, subject to certain exceptions. A registration fee of \$30 is assessed for an ATV or UTV public operation permit, which is valid for a two-year period beginning on April 1, or the date of issuance or renewal, and ending March 31 of the second year following the date of issuance or renewal. The fee for a private operations permit, under which an ATV or UTV may be operated on private property only, is \$15. A private operations permit is valid until the ownership of the vehicle is transferred. In addition, a commercial ATV and UTV registration fee of \$90 is required.

As noted, effective October 1, 2016, 2015 Act 170 creates an off-highway motorcycle registration for a fee of \$30 for a two-year period. OHM registration revenue is deposited in the state transportation fund, and the Act creates a GPR sum-sufficient appropriation appropriating GPR based on the revenue from the number of OHMs registered in the previous fiscal year for DNR administration of OHMs. Table 18 shows 2014-15 actual and 2015-16 estimated revenue to the all-terrain vehicle account.

Another major source of revenue to the ATV

Table 18: All-Terrain Vehicle Account Revenue

	2014-15 Actual	2015-16 Estimate	2014-15 % of Total
ATV and UTV Registrations	\$4,677,300	\$4,250,000	62.9%
ATV Fuel Tax Transfer	1,974,000	2,040,900	26.5
UTV Fuel Tax Transfer	137,600	194,800	1.9
Non Resident Trail Pass	468,200	500,000	6.3
Late Registration Renewal fee (\$5)	115,000	60,000	1.5
Education and Safety (ATV)	21,700	28,600	0.2
Handling Fees	49,200	27,500	0.7
ALIS Transaction Fees	-3,300	-4,000	0.0
Other Revenue	<u>-3,100</u>	<u>5,300</u>	<u>0.0</u>
TOTAL	\$7,436,600	\$7,103,100	100.0%

account is the annual nonresident trail pass. 2011 Act 208 broadened this pass to cover utility terrain vehicles as well as ATVs (2007 Act 20 increased the fee for the annual sticker from \$18 to \$35). In addition, Act 208 created a five-day ATV or UTV trail pass for a fee of \$20, effective July 1, 2012. ATVs and UTVs not registered in Wisconsin are required to display a trail use sticker to use public ATV corridors. The trail pass must be attached to the ATV or UTV in a highly visible location on the forward half of the vehicle. Act 208 also changed the expiration date of the annual trail passes from June 30 to March 31 of each year. In fiscal year 2015-16, 2,379 five-day nonresident trail passes and 13,822 annual nonresident trail passes were sold.

In addition, 2015 Act 170 establishes an annual nonresident OHM trail pass, effective October 1, 2016, for a fee of \$35, which expires on March 31 of each year, and a five-day nonresident trail pass for \$20. (Both trail pass fee amounts include a 75¢ issuance fee.) Under the Act, revenues from the sale of nonresident trail passes are deposited in the ATV account.

Revenue is also derived from a transfer of ATV fuel tax revenue to the account. The transfer is made annually, and is equal to the number of registered ATVs as of the last day of February of the previous fiscal year multiplied by the amount of motor fuel tax assessed on 25 gallons of gasoline as of that date. For 2016-17, \$1,865,200 from

this transfer will be available for the ATV account, based on the number of ATVs registered for public use on February 28, 2014, and the motor fuel tax rate as of that date (241,446 ATVs x 25 gallons x 30.9¢ per gallon). In addition, beginning in fiscal year 2013-14, 2011 Act 208 created a utility terrain vehicle fuel tax transfer. The transfer is equal to the number of registered UTVs as of the last day of February of the previous fiscal year multiplied by the amount of motor fuel tax assessed on 25 gallons of gasoline as of that date. For fiscal year 2016-17, \$261,700 from this transfer will be available (33,883 UTVs x 25 gallons x 30.9¢ per gallon).

Other sources of revenue to the account include: (a) ATV and UTV safety certificate fees, and (b) 1% of the total sales tax revenue DNR collects from people who have purchased ATVs and UTVs but have not provided proof that a sales tax was paid, which is required before the vehicle can be registered.

Expenditures

State and Local ATV Trail and Project Aids. Revenues from the ATV fuel tax transfer and a portion of ATV registration revenues are used to provide grants to towns, villages, cities, counties and federal agencies for any of the following types of ATV projects: (a) land or easement acquisition; (b) ATV facilities (such as parking areas, riding areas and shelters); (c) develop-

Table 19: All-Terrain Vehicle Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 Staff
State and Local ATV Trail and Project Aids	\$3,228,000	\$3,710,900	52.1%	0.00
Utility Terrain Vehicle (UTV) Trail and Project Aids	182,700	290,400	2.9	0.00
Landowner Incentive Program*	--	--	--	--
State ATV Trails	303,500	310,500	4.9	0.00
State UTV Trails	15,200	16,900	0.2	0.00
ATV and UTV Law Enforcement and Safety Training	1,144,500	1,272,900	18.5	9.00
ATV Trail Safety Grant	297,000	0	4.8	0.00
ATV and UTV County Enforcement Aids	495,000	495,000	8.0	0.00
Education and Safety	24,900	28,600	0.40	0.00
Administration and Technology Services	133,200	153,800	2.1	1.15
Customer Assistance and Employee Services	284,300	273,900	4.6	2.51
Enforcement and Science Management	41,300	39,000	0.7	0.30
Resource Acquisition and Development	3,000	3,000	0.0	0.00
Handling fees	49,200	27,500	0.8	0.00
UTV Issuing and Renewal Fees	0	0	0.0	0.00
Miscellaneous	<u>200</u>	<u>--</u>	<u>0.0</u>	<u>0.00</u>
Total	\$6,202,000	\$6,622,400	100.0%	12.96

*2015 Act 55 repealed the landowner incentive program and deleted the \$405,900 annual appropriation. No grants had been awarded since the program's inception.

ment and maintenance of ATV trails; (d) purchase of liability insurance; and (e) signs briefly explaining the law related to intoxicated operation of ATVs and UTVs. The state supports nearly 1,900 summer trail miles, and approximately 4,375 winter miles, which are managed by local units of government. In 2004, DNR promulgated an administrative rule that increased its rate of reimbursement from \$220 per mile to \$450 per mile and from \$80 per mile to \$100 per mile for summer ATV trail maintenance work for winter trail miles. The reimbursement rate for summer maintenance was again increased through administrative rule NR 64 in 2012, to \$600 per mile from \$450. Summaries of 2014-15 and 2015-16 expenditures from the all-terrain vehicle account are presented in Table 19.

The 2012 administrative rule NR 64 revisions also included the creation of a new hybrid trail/route category, also referred to as a "troute." Several existing ATV and UTV trails overlap existing roads. The rule defines a "hybrid trail (troute)" as "an all-terrain vehicle trail and route combination that allows all-terrain vehicles and

motor vehicles to utilize the same linear surface and the combination is used as a trail connector." A trail connector is then defined as "an all-terrain vehicle trail that connects one trail to another trail or services." The rule specifies any hybrid trail that received funding prior to the effective date of the rule and is posted with signs as a hybrid trail, is eligible for the full per-mile reimbursement rates and rehabilitation costs. A separate rate is specified for hybrid trails developed on or after the effective date of the rule, with a maximum of up to 50% of the per-mile rate (not more than 50% of the per-mile rate for roads that do not benefit from the receipt of state transportation aids, and for roads maintained by recipients of transportation aids, such as towns, cities, and villages, the per-mile rate minus the amount of transportation aid received for the area of the trail (miles), for a total not to exceed 50% of the per-mile rate).

Utility Terrain Vehicles Program. Prior to 2011 Act 208, DNR had administered a UTV pilot program in consultation with the Department of Transportation. Under the pilot program, UTVs were registered in the same manner as ATVs, with

all revenue collected from UTV registration fees deposited in an appropriation for administration of the UTV pilot program. The program sunset on July 1, 2012.

2011 Act 208 established a permanent method for regulating the use of UTVs and generally subjects UTVs to the same laws as ATVs. Under the Act, a UTV is defined as any of the following: (1) a motor driven device that does not meet federal motor vehicle safety standards in effect on July 1, 2012, that is not a golf cart, low-speed vehicle, dune buggy, mini-truck, or tracked vehicle, that is designed to be used primarily off of a highway, and that has, and was originally manufactured with, all of the following: (a) a net weight of less than 2,000 pounds; (b) four or more low-pressure tires; (c) a cargo box installed by the manufacturer; (d) a steering wheel; (e) a tail light; (f) a brake light; (g) two headlights; (h) a width of not more than 65 inches; (i) seating for at least two occupants, which is designed not to be straddled; (j) a system of seat belts, or a similar system, for restraining each occupant of the device in the event of an accident; and (k) a system of structural members designed to reduce the likelihood that an occupant would be crushed as the result of a rollover of the device; or (2) a motor-driven device that has a net weight of more than 900 pounds, that is originally manufactured with a width of 50 inches or less, that is equipped with a seat designed to be straddled by the operator, and that is designed by the manufacturer to travel on three or more low-pressure tires.

UTV Trail and Project Aids. Under 2011 Act 208, beginning in fiscal year 2013-14, revenues from the UTV fuel tax transfer and a portion of UTV registration revenues may be used to provide grants to towns, villages, cities, counties, and federal agencies for UTV trail projects. In fiscal year 2015-16, \$290,000 (\$194,800 from the UTV fuel tax transfer and \$95,600 from UTV registration revenues) is appropriated for this purpose.

Landowner Incentive Program. 2015 Act 55

repealed the ATV landowner incentive program and deleted a \$405,900 annual appropriation. 2007 Act 20 created an ATV landowner incentive program beginning in 2008-09. The program was to provide grants to private landowners who permit public all-terrain vehicle corridors on their lands. Landowners could receive annual incentive payments at up to the following rates based on the number of days the trail was open for public use during the previous fiscal year: (a) \$25 for each mile that was open for public use for at least 60 but less than 180 days; (b) \$75 for each mile that was open for public use at least 180 days but less than 270 days; or (c) \$100 for each mile that was open for public use for 270 days or more. No landowner incentive grants were ever awarded under the program.

State ATV and UTV Trail Projects. Trails that accommodate ATVs on state property, including state parks, are allocated maintenance, rehabilitation, and development funds of \$310,500 in 2016-17. Beginning in fiscal year 2013-14, \$16,900 is set aside from UTV registration fees for maintenance, rehabilitation, and development on state trails that are open to UTVs. The state parks system includes approximately 395 miles of ATV trails (395 miles open for winter use and 372 miles open for summer use), of which the state maintains approximately 68 miles, and counties maintain the remaining miles (327) through cooperative agreements. In addition, the Northern Forests include approximately 137 miles of ATV trails (64 miles open for winter use and 73 miles open for summer use), of which the state maintains approximately 73 miles, and counties maintain the remaining miles (64) through cooperative agreements. All ATV trails on state properties are currently open to UTV use except seven miles at Richard Bong State Recreational Area, because they are constructed trails in a track-like setting and have not been deemed appropriate for UTV use.

State ATV and UTV Enforcement and Safety Training. Part of the workload of conservation

wardens is the enforcement of state ATV and UTV laws. During 2015-16, permanent conservation wardens issued 651 citations for violations related to ATVs and UTVs. In addition, the Department's safety training program disseminates ATV/UTV safety information and administers a statewide program of safety courses conducted by local instructors who are trained, certified and supervised by DNR conservation wardens. The course material presented covers general ATV and UTV laws and safety tips for the operation of all ATVs and UTVs.

ATV Trail Safety Grant. The ATV safety enhancement grant program was created under 2001 Act 16. Available funding has been awarded in the form of a grant to a non-profit organization (the National Off-Highway Vehicle Insurance Services Group, Inc. or NOHVIS), to assist DNR in promoting the operation of ATVs in a safe and responsible manner. Funding for the grant was eliminated under 2015 Act 55. [*See Grants to NCOs*].

County Enforcement Aids. The Department also distributes aids to counties for the costs of local patrol units charged with ATV and UTV law enforcement. Counties may receive up to 100% of eligible costs, but aid payments are prorated if claims exceed the appropriation level. For enforcement activities that occurred in 2015-16, 48 counties applied for reimbursements totaling \$598,400. State payments of \$495,000 in state fiscal year 2016-17 provided 82.8% of eligible costs. Local ATV patrols logged nearly approximately 11,500 hours and issued 1,175 citations.

Education and Safety. The statutes require that no person under 12 years of age may operate an ATV or an OHM, and no person under 16 years of age may operate a UTV, unless he or she holds a valid safety certificate issued by DNR, another state, or a province of Canada. (The prohibition is subject to certain exemptions, such as operating the ATV or UTV or for an agricultural purpose under the supervision of a person over 18

years of age, or operating a OHM on private property if the owner of the property has given consent for the operation and does not allow public use of OHMs on the property.) 2011 Act 208 expanded the Department's ATV safety certification program to include instruction on UTV laws as well as ATV laws, and, effective October 1, 2016, 2015 Act 170 requires DNR to create an OHM safety program for instruction on laws related to the safe operation of OHMs and intoxicated operation laws. While the courses are required for certain age groups, the courses are open to anyone wishing to enroll. In fiscal year 2015-16, 8,163 students received certificates upon successfully completing one of the ATV and UTV safety courses, including 5,858 certified through an online course. The classroom course is offered for a fee of \$10, while two online courses are available for those ages 12 and older for \$24.50 or \$29.95 (DNR retains \$1 per student for online courses).

Snowmobile Account

The Department administers a snowmobile recreation program to develop and maintain a statewide system of snowmobile trails and administer and enforce snowmobile laws. Unlike the other accounts in the conservation fund, which were administratively created by the agency, the snowmobile account is statutorily designated to ensure that certain revenues are utilized for specific purposes.

The Snowmobile Recreational Council provides recommendations to DNR and elected officials on matters related to snowmobile policy. The Council consists of 15 members appointed by the Governor with the advice and consent of the Senate for staggered, three-year terms. Under statute, at least five members of the Council must be from the territory north, and at least five members must be from the territory south, of a line running east

Table 20: Snowmobile Account Revenue

	2014-15 Actual	2015-16 Estimate	2014-15 % of Total
Fuel Tax Transfer	\$5,577,400	\$5,268,000	60.6%
Snowmobile Registrations	2,777,300	3,330,000	30.2
Nonresident Trail Pass	642,900	855,000	7.0
Resident Trail Pass	--	3,650,000	--
Club Trail Pass	--	685,000	--
Investment Income	0	2,000	0.0
Registration Transfers	107,100	122,000	1.2
Education and Safety (Snowmobile)	39,500	51,600	0.4
Handling Fees	43,500	30,500	0.5
All Other Revenues	<u>13,900</u>	<u>10,900</u>	<u>0.1</u>
Total	\$9,201,600	\$14,005,000	100.0%

and west through the southern limits of the City of Stevens Point.

Revenue

The major source of revenue to the snowmobile account is the snowmobile fuel tax revenue transferred to the account. The formula for the snowmobile fuel tax transfer was modified by 2013 Act 32, beginning with the fiscal year 2013-14 transfer, to include a multiplier of 1.55, rather than the prior multiplier of 1.4. An appropriation is made annually, which, beginning with the fiscal year 2013-14 transfer, equals the amount of motor fuel tax assessed on 50 gallons of gasoline as of the last day of March of the previous fiscal year multiplied by the number of registered snowmobiles as of the same date, with this result multiplied by 1.55. The transfer for 2016-17, which will be made available for trail aids under the formula, is expected to total \$4,847,700. This total is based on the number of snowmobiles registered on March 31, 2016, and the motor fuel tax rate as of that date (196,357 snowmobiles x 50 gallons per snowmobile x 30.9¢ per gallon x 1.55). Table 20 identifies revenue to the snowmobile account.

The next largest revenue source for the account is registration fees. A fee of \$30 is assessed for each snowmobile registered for general use in Wisconsin. 2013 Act 142 made a number of

changes to the requirements for operating a snowmobile in Wisconsin, including lengthening the registration period from two years to three years. Effective July 1, 2015, a \$30 snowmobile registration fee is valid for three years. Snowmobiles registered in other states or countries need not be registered in Wisconsin if they are in the state for a period of less than 15 consecutive days.

In addition, other registration fees are charged for registering public use, commercial use, and antique snowmobiles. Prior to 2014, the owner of a snowmobile with a model year of 1966 or earlier could register the snowmobile with DNR as an antique snowmobile for a one-time \$20 registration fee, and the snowmobile was exempt from re-registration while under the same ownership. Effective April 10, 2014, 2013 Act 233 allows registration of snowmobiles as antique snowmobiles, if they are at least 35 years old, for an initial fee of \$20 and a renewal fee of \$5 every two years. The Act also specifies that an owner who has applied to register a snowmobile as an antique snowmobile before April 10, 2014, is exempt from the initial registration requirement if they submit an application to renew the registration before March 1, 2015. 2015 Act 55 specifies that antique snowmobile registrations be valid for three years beginning with registrations issued on the effective date of the Act.

A nonresident snowmobile trail use sticker requirement was created in 1997 Act 27 as a new source of revenue to the snowmobile account. Snowmobiles not registered in Wisconsin are required to display a trail use sticker to use public snowmobile corridors. Prior to 2007, the fee for the annual sticker was \$18. 2007 Act 226 increased the fee to \$35 effective July 1, 2008.

Effective July 1, 2015, 2013 Act 142 requires most snowmobiles operated on a public snowmobile corridor in Wisconsin to display an annual trail use sticker issued by the Department, regardless of whether the snowmobile is registered in Wisconsin. The Act establishes two categories of fees for trail pass stickers issued in fiscal years 2015-16 through 2018-19 for snowmobiles registered in Wisconsin: (a) \$10 (including the 75¢ issuing fee) for a snowmobile that is owned by a person who is a member of a snowmobile club and the Association of Wisconsin Snowmobile Clubs (the Act defines "snowmobile club" as "an association organized in this state that is a member of the Association of Wisconsin Snowmobile Clubs, that meets at least three times per year, that has at least 10 members, and that promotes responsible snowmobiling"); and (b) \$30 (including the 75¢ issuing fee) for a snowmobile that is owned by a person who is not a member of a snowmobile club and the Association of Wisconsin Snowmobile Clubs. In addition, the fee for annual trail use stickers issued in fiscal years 2015-16 through 2018-19 to those exempt from registration (such as an owner of a snowmobile that is registered in another state or country) was increased from \$35 to \$50. Further, under 2015 Act 55, there is no fee for a trail use sticker issued for a snowmobile that is registered in Wisconsin and that has a model year that is at least 35 years earlier than the year in which the trail use sticker is issued. In fiscal year 2015-16, approximately 137,800 trail pass stickers were sold including 16,800 nonresident trail passes, 59,000 resident non-club member trail passes, and 62,000 club member trail passes.

In addition, the snowmobile program also receives revenues from: (a) registration transfer fees; (b) snowmobile safety course instruction fees; and (c) 1% of the total sales tax receipts the Department collects from people who have purchased snowmobiles but who have not provided proof that a sales tax was paid, which is required before the vehicle can be registered.

Expenditures

Snowmobile Trail and Project Aids. The Department distributes aids to participating counties for the maintenance, development, and acquisition of land to support approximately 18,700 miles of interconnecting snowmobile trails throughout the state. Generally, these aids are provided to counties at 100% of eligible costs. The counties either develop and maintain local trails, or, more typically, redistribute aid to local snowmobile clubs that do the maintenance and development projects. DNR also funds the maintenance and development of approximately 600 miles of snowmobile trails on state park, trail, recreation area, and forest lands.

County expenditures eligible for state aid are as follows, listed in priority order: (a) maintenance of existing approved trails, up to a maximum of \$250 per mile per year; (b) club signing programs; (c) bridge rehabilitation; (d) municipal route signing; (e) trail rehabilitation; and (f) development of new trails.

In addition, a county or snowmobile club contracting with DNR for work on a state property is eligible for supplemental trail aid payments up to a total of \$750 per mile, if actual eligible costs exceed the maximum of \$250 per mile for basic trail aids. Of the costs incurred, actual trail grooming costs must exceed \$150 per mile per year. Since fiscal year 1991-92, supplemental trail aids have been funded from the multiplier to the snowmobile fuel tax transfer formula, which is 55% beginning in 2013-14. Further, \$32 from each nonresident trail pass sticker sold in the prior year is

also made available for this purpose. Under 2013 Act 142, for fiscal years 2016-17 to 2019-20, DNR is to credit \$47 from each nonresident annual trail use sticker to the supplemental trail aids appropriation (\$788,000 was available under this provision for fiscal year 2016-17). If the supplemental aid payable to counties exceeds funding available from these two sources, the Department may either prorate payments and/or request that the Joint Committee on Finance take action to transfer funding from basic snowmobile trail aids for supplemental payments.

Table 21 shows supplemental trail aid payments from the 2006-07 snowmobile season through the 2015-16 season. The table shows the total eligible amount requested by counties, the amount paid in supplemental aids, and the level of proration. Supplemental payments for a snowmobile season are paid in the following fiscal year.

Table 21: Supplemental Snowmobile Trail Maintenance Payments

Snowmobile Season	Total Request	Total Payment	Percent of Request Paid
2006-07	\$1,068,800	\$1,068,800	100.0%
2007-08*	3,856,100	2,395,700	62.0
2008-09*	2,648,100	2,254,700	85.0
2009-10*	2,798,100	2,318,600	83.0
2010-11	3,551,600	2,165,800	61.0
2011-12**	1,028,800	1,028,800	100.0
2012-13	3,185,500	2,515,600	79.0
2013-14***	4,496,800	3,016,500	67.1
2014-15	1,563,000	1,563,000	100.0
2015-16****	1,375,600	1,375,600	100.0

*Payments for these seasons were supplemented through action by the Joint Committee on Finance.

**Includes \$11,400 in payments for 10-11 season.

***Includes \$300,000 from snowmobile registration revenues.

****Estimate.

County Enforcement Aids. The Department provides aids to counties for up to 100% of eligible county costs of enforcing snowmobile laws. Aid payments are prorated if claims exceed the appropriation level. For enforcement activities that

occurred over the winter of 2015-16, 62 counties requested reimbursements totaling \$438,700. State reimbursement of \$396,000 represented 90% of the eligible costs of their local snowmobile patrol activities. These requests were reimbursed in state fiscal year 2016-17. Local snowmobile patrols logged approximately 5,300 hours and issued approximately 660 citations.

State Snowmobile Trails and Areas. Funding is provided annually for the development and maintenance of snowmobile trails on state properties, including \$211,100 in 2015-16.

Snowmobile Enforcement and Safety. DNR is responsible for state enforcement of snowmobile laws by DNR conservation wardens and coordination of snowmobile safety programs. In addition to the snowmobile SEG, DNR is provided almost \$1.2 million annually with 9.0 positions from tribal gaming compact program revenues for snowmobile enforcement. In 2015-16, the Department's permanent conservation wardens and issued 329 snowmobile citations.

Snowmobile SEG funding is provided for safety training and fatality reporting, overtime funding for conservation wardens on the traveling Snowmobile Accident Reduction Team (SART) and overtime hours for locally stationed wardens, travel and supply costs, and additional costs associated with enforcement of intoxicated snowmobiling laws, including lab tests and medical examination costs.

Education and Safety. The Department is responsible for coordinating snowmobile safety courses taught by instructors certified by DNR. Any person born after January 1, 1985, must hold a valid snowmobile safety certificate in order to operate a snowmobile. In fiscal year 2015-16, 6,805 people received certificates upon successfully completing one of the snowmobiling safety courses, with 3,147 of those certified through an online course. Two online courses are offered, for a fee of \$15 or \$29.95, for those ages 16 and older.

Table 22: Snowmobile Account Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of Total	2016-17 staff
Local Snowmobile Trail and Project Aids	\$8,051,500	\$8,343,400	87.0%	0.00
Snowmobile Aids Administration	185,100	193,900	2.0	1.50
County Enforcement Aids	396,000	396,000	4.3	0.00
State Snowmobile Trails and Areas	192,500	211,100	2.1	0.00
Snowmobile Enforcement and Safety	0	200,500	0.0	0.00
Administration and Technology Services	22,700	25,600	0.2	0.19
Customer Assistance and Employee Services	321,000	323,300	3.5	3.05
Resource Acquisition and Development	500	500	0.0	0.00
Education and Safety	42,600	51,600	0.4	0.00
Handling Fees	43,600	30,500	0.5	0.00
Miscellaneous	400	0	0.0	0.00
Total	\$9,255,900	\$9,776,400	100.0%	4.74

DNR retains \$1 for each successfully completed online course.

Table 22 identifies expenditures from the snowmobile account for 2014-15 and 2015-16.

Endangered Resources Account

The endangered resources account primarily funds DNR activities related to endangered and threatened plant and animal species, as well as for certain non-game species. In June, 2013, DNR renamed the Endangered Resources Bureau the Natural Heritage Conservation (NHC) Bureau to reflect a broader perspective of the work the Bureau undertakes which includes work on non-listed bird and mammal species. The NHC Bureau aims to identify, protect and manage native plant and animal species, natural communities and other natural features as well as to enhance and restore populations and habitats of rare or endangered species. Additionally, program staff works to promote the knowledge, appreciation and stewardship of Wisconsin's native species and ecosystems for present and future generations.

Revenue

A voluntary income tax check-off program was created in 1983 to support DNR's endangered resources protection program. Individual income taxpayers can donate a portion of their tax refund or, if taxes are due, include an additional amount with their tax payment for the endangered resources program. Beginning with tax year 2001, corporate income taxpayers are also allowed to participate in the check-off program. After deducting the costs it incurs for collecting the donated amounts, the Department of Revenue forwards the check-off revenue to DNR for deposit in the conservation fund.

For fiscal year 2015-16, 12,417 returns included the endangered resources checkoff for a total of \$240,300, with an average donation of \$19.35 per return. After deducting Department of Revenue administrative expenditures, DNR received \$234,400 in 2015-16.

1993 Act 415 created an endangered resources license plate, depicting a timber wolf and rising moon, that became available starting January 1, 1995. The \$25 additional annual fee required to buy the plate is credited to the account. In 2015-16, the original endangered resources license plates generated \$258,225 (10,329 registered wolf

license plates), bringing the total revenue generated by wolf plate sales since their introduction to \$10.1 million.

2009 Act 28 created a second endangered resources license plate, effective January 1, 2010. The fee for the second license plate, which through fiscal year 2014-15 depicted a badger, and most recently depicts a bald eagle, is also \$25 and is also credited to the endangered resources account. In fiscal year 2015-16, 5,464 eagle plates were issued generating \$136,600 in revenue to the endangered resources account; this brought the total revenue to the endangered resources account from second endangered resources-plate sales since their introduction to \$438,900.

Check-off revenues and other donations are statutorily matched up to \$500,000 annually from general purpose revenues (GPR).

Other revenue to the account includes private donations, the sale of resident wild ginseng harvest and Class A resident wild ginseng dealer licenses, sale of wild rice harvesting permits, and revenue from timber harvests in state natural areas.

Expenditures

The endangered resources account supports the inventory and management of endangered, threatened and certain non-game species and natural communities, as well as determinations on the status (rarity) of native plants and animals, coordinating research, surveys, and habitat projects and managing state natural areas. Examples of these projects include implementing a habitat conservation plan for the Karner Blue butterfly, providing guidance needed to comply with endangered species laws, and the development and implementation of plans to protect and manage Wisconsin's biological diversity, including a large number of state natural areas. This work has led to several species' recoveries or reintroductions, including the trumpeter swan, bald eagle, and osprey.

In March, 2014, white-nose syndrome (WNS), a disease that affects hibernating bats, was confirmed in a site in Grant County. According to the United States Geological Survey (USGS), the disease has killed millions of bats in 29 states and five Canadian provinces since the winter of 2007-08. The discovery in Wisconsin has accelerated the monitoring need and information gathering efforts of the Wisconsin Bat Program (WBP). WBP staff work with cave and mine landowners to conserve and manage important bat habitats. WBP coordinates with landowners and volunteers across the state to monitor summer bat colonies and complete bat acoustic surveys. In 2016, DNR staff surveyed 74 caves and mines statewide, collecting over 1,000 samples for disease surveillance. In addition, with the help of more than 1,000 volunteers, they conducted approximately 325 acoustic surveys and monitored over 50 roosting sites for bat health, habitat and population distributions. Wisconsin is also participating with neighboring states on the development of a Habitat Conservation Plan to provide measures for continuing to manage forests when the some of the affected bat species become listed as endangered on the federal level.

Under a cooperative agreement with the Department of Transportation, DNR provides transportation "liaisons" throughout the state who perform environmental reviews (erosion, waterway and wetland regulations, and environmental assessments, as needed) of state roadway projects in the DNR regions. The liaisons also act as a single point of contact for local governments conducting transportation projects. In addition, the agreement provides program revenue funding for 1.0 conservation biologist position, which provides support to DOT by analyzing the impacts to rare and endangered species of DOT projects. Up to \$127,500 is budgeted under the fiscal year 2016-17 agreement.

Funds from tribal gaming program revenue and the fish and wildlife account are allocated to fund a wildlife biologist position for work related to the

Table 23: Endangered Resources Account

Revenue	2014-15 Actual	2015-16 Estimate	2014-15 % of Total	2016-17 Staff
License Plate Sales	\$358,700	\$362,000	35.1%	
Income Tax Check-off	251,200	195,000	24.6	
Other Revenue	<u>410,700</u>	<u>650,000</u>	<u>40.3</u>	
Total	\$1,020,600	\$1,207,000	100.0%	
Expenditures	\$804,200	\$839,800		9.00

reintroduction of the whooping crane to Wisconsin. Wildlife officials on the Joint U.S./Canada Whooping Crane Recovery Team designated central Wisconsin (initially Necedah National Wildlife Refuge, but expanded to include Horicon National Wildlife Refuge and White River Marsh State Wildlife Area) to be the sites for reintroduction of a migratory flock of the endangered whooping crane to eastern North America. Releases of whooping cranes, either those led by ultralight planes or those released into the presence of adult whooping cranes, or both, has been completed each year since the fall of 2001. Table 23 identifies 2014-15 and 2015-16 revenue to, and expenditures from, the endangered resources account.

Endangered Resources Damage Payments.

Section 71.10(4)(a)(2) of the statutes defines the activities of the DNR endangered resources program as including "providing for wildlife damage control or the payment of claims for damage associated with endangered or threatened species." As noted previously, prior to 2011 Act 169, the Department paid claims for damage caused by wolves or other threatened or endangered species from the endangered resources program. Under current law, if the gray wolf is on the federal endangered species list, DNR may use the segregated endangered resources account and the GPR appropriation used to match certain endangered resources voluntary contributions to pay claims for damage associated with gray wolves. The De-

partment may also utilize federal funds from a USFWS livestock demonstration grant for wolf depredation payments. Calendar year 2015 wolf damage claims totaled approximately \$200,500 of which \$181,900 was paid from USFWS livestock demonstration grant funding and the remainder from endangered resources funding sources (SEG and GPR) in 2015-16.

Natural Resources Magazine Account

Revenue

The statutes authorize the Department to issue and distribute a magazine containing information on resource management and related subjects. The direct costs of the agency's bi-monthly publication, Wisconsin Natural Resources, are entirely funded from subscription, single-copy and insert sales. The magazine carries no advertisements. The current subscription rates, including an annual \$1 shipping and handling fee, are \$8.97 for one year, \$15.97 for two years and \$21.97 for three years. The retail price of the magazine is \$3 per issue. The rates are intended to recover the magazine's production costs.

Conservation patron license holders receive an annual subscription to the magazine as part of the license. A portion of the revenue from the sale of

Table 24: Natural Resources Magazine Account

	2014-15 Actual	2015-16 Estimate	2014-15 % of Total	2016-17 Staff
Revenue				
Magazine Subscriptions	\$336,200	\$350,000	43.5%	
Conservation Patron Allocation	384,200	370,000	49.7	
Insert Sales and Other Revenue	<u>52,500</u>	<u>95,000</u>	<u>6.8</u>	
Total	\$772,900	\$815,000	100.0%	
Expenditures	\$789,000	\$581,800		2.00

patron licenses is deposited in the natural resources magazine account to reflect the number of subscriptions attributable to patron license holders.

Approximately 84,100 people subscribe to the magazine, including 45,200 conservation patron subscriptions. In addition, a small number of single copies are available at retail stores.

Expenditures

Account revenues support 2.0 positions within the agency's Office of Communication, who are responsible for producing the magazine. In addition, revenues are also used to fund the printing and distribution of Wisconsin Natural Resources. Articles and photographs that appear in the magazine are contributed by DNR employees and persons outside of the agency, who do not receive cash compensation for their submissions.

Table 24 identifies revenue to, and expenditures from, the magazine account for 2014-15 and 2015-16.

appropriation supporting the development of ATV off-road trail projects in the ATV account.

Between 1981 and 2005, the only revenue source to the motorcycle account was the investment income earned on the account's cash balance. Prior to 1981, the account was also funded by a \$2 surcharge on motorcycle registrations.

DNR had provided aids to municipalities and federal agencies for the acquisition, development, operation and maintenance of off-the-road motorcycle trails and facilities. In addition, DNR funded development and maintenance activities for existing off-the-road trails at the Richard Bong Recreation Area (Kenosha County) and the Black River State Forest (Jackson County).

2015 Act 170 created an Off-Highway Motorcycle (OHM) program. The OHM program is discussed under the ATV account where related revenues will be deposited.

Motorcycle Recreation Account

The motorcycle recreation program was eliminated by 2005 Act 25, which required that any remaining balance as of July 1, 2005 in the motorcycle account (\$86,500) be transferred to an ap-

Grants to NCOs

Several DNR grants have been statutorily directed to non-profit conservation organizations (NCOs) primarily using the segregated conservation fund. These grants have often been provided to assist the Department or other NCOs for a vari-

Table 25: Grants to Select Nonprofit Conservation Organizations

Grant Recipient	Enabling Statute	Awarded 2014-15	Enrolled SB 21	Acts 55, 250, & 260**	Source
Sporting Heritage	29.605	\$0	\$0	\$300,000	GPR/unspecified
Great Lakes Timber Professionals Association & Wisconsin County Forests Association	26.105	300,000	0	0	Forestry SEG
National Off-Highway Insurance Insurance Services Group (NOHVIS)	23.33(5m)	297,000	297,000	0	All-Terrain Vehicle SEG
Wisconsin Lakes	281.69(1r)	200,000	180,000	0	Water Resources SEG
Great Lakes Timber Professionals Association - Master Loggers	26.39(7)	108,200	75,000	0	Forestry SEG
Gathering Waters, Inc.	23.0955	138,300	124,500	0	Water Resources/Forestry SEG
Natural Resources Foundation	23.0956	84,100	75,700	0	Water Resources/Forestry SEG
Urban Forest Protection	23.0957	74,200	66,800	0	Forestry SEG
Ice Age Trail Alliance	23.295	74,200	66,800	0	Forestry SEG
River Alliance of Wisconsin	281.72	69,200	62,300	0	Water Resources/Forestry SEG
County Forests Association	28.11(5m)	50,000	50,000	0	Forestry SEG
Wild Rivers Interpretive Center	30.255	22,800	22,800	0	GPR
				27,000*	Conservation Fund SEG
Northern Great Lakes Center	20.245(1)(y)	61,700	52,400	52,400	Forestry SEG
Lake Monitoring	281.68(1t)	579,000	628,200	1,642,800**	Water Resources SEG
Southeastern WI Fox River Commission	20.370(5)(cq)	<u>200,000</u>	<u>200,000</u>	<u>0</u>	Water Resources SEG
Total		\$2,558,700	\$1,901,500	\$2,022,200	

*While 2015 Act 55 deleted the GPR appropriation and funding provided for the grant, 2015 Act 260 provides \$27,000 conservation fund SEG (most likely from the fish and wildlife and forestry accounts of the conservation fund) annually for the grant in a new appropriation.

**Prior to 2015 Act 250, a maximum of 10% of the appropriated funds for lake monitoring grants and aquatic species grants could be used for lake monitoring contracts. The Act increased this to up to 25% of appropriated funds for lake monitoring and protection grants, aquatic species grants, and river protection grants.

ety of conservation-related efforts. Nonprofit status generally refers to an organization being exempt from federal income tax under sections 501(c)(3) or (4) of the Internal Revenue Code. In most cases, conservation fund SEG and other funds have been provided to the same groups for many years. The grants are described below and summarized in Table 25.

The Governor's 2015-17 biennial budget bill would have eliminated most of these grants to NCOs, with the exception of the lake monitoring contracts, Southeast Wisconsin Fox River Commission funding, and Northern Great Lakes Center funding. Enrolled 2015 Senate Bill 21, the biennial budget bill passed by the Legislature, would have restored some funding for the grants, but the

Governor, through his item-veto, deleted funding for the grants and requested that the DOA Secretary not allot the funds. However, statutory authority for the grants remains.

Grants to NCOs with Funding Eliminated Under 2015 Act 55

Sporting Heritage

Under 2013 Act 20, DNR was required to provide a Wisconsin non-profit organization established in Wisconsin for outdoor education, recruitment, and retention of sportsmen and sportswomen a grant of \$500,000 during the 2013-15 biennium, including providing \$200,000 GPR on a one-time basis in 2013-14, and \$300,000 from an

unspecified existing source in 2014-15. Each subsequent biennium (beginning with the 2015-17 biennium), DNR was required to provide a grant of \$450,000 from an unspecified source, with the recipient required to provide \$150,000 in matching funds. The advisory committee created under Act 20 met on August 29, 2013, and recommended awarding the grant to the only applicant, United Sportsmen of Wisconsin, by a vote of 4 to 1. The DNR Secretary awarded the grant on August 29, 2013. On September 5, 2013, the Governor announced the grant award had been cancelled, following various media reports, including that United Sportsmen had not received non-profit status under the federal tax code. No grant was awarded for the 2013-15 biennium. 2015 Act 55 deleted the statutory language and funding for this grant program.

Great Lakes Timber Professionals Association and Wisconsin County Forests Association

2013 Act 20 directs DNR to provide a grant of \$300,000 in fiscal year 2013-14 and \$300,000 in fiscal year 2014-15 in one-time funding from the forestry account of the conservation fund to the Great Lakes Timber Professionals Association (GLTPA) and the Wisconsin County Forests Association (WCFA) for a comprehensive study of DNR forestry practices and forest fire prevention practices. The report is required to be submitted to DNR, the Council on Forestry and the appropriate standing committees of the Legislature upon completion of the study. As of November, 2016, the three subcommittees assembled to review research and develop recommendations for consideration by the Wisconsin Council on Forestry had completed their work and were in the process of making final recommendations to the Council.

National Off-Highway Vehicle Insurance Services Group (NOHVIS)

The all-terrain vehicle (ATV) safety enhancement grant program was created under 2001 Act 16. Available funding was awarded in the form of

a grant to a non-profit organization. The statutes require that the organization be a nonstock corporation organized in Wisconsin that promotes the operation of ATVs in a manner that is safe and responsible, that does not harm the environment, and that does not conflict with the laws, rules, and departmental policies that relate to the operation of ATVs. No match is required. Each year, the grant has been provided to the National Off-Highway Vehicle Insurance Services Group, Inc. NOHVIS has assisted DNR by promoting the operation of ATVs in a safe and responsible manner, recruiting and training volunteer ATV safety instructors and "trail ambassadors," and improving relationships with groups that promote recreational ATV operation.

Wisconsin Lakes

Under the lake protection grant program, since fiscal year 1998-99, DNR has primarily awarded one lake classification technical assistance contract for \$200,000 water resources account SEG annually to Wisconsin Lakes. Formerly known as the Wisconsin Association of Lakes, Wisconsin Lakes is, according to its mission statement, a statewide nonprofit organization dedicated to conserving, enhancing, and restoring Wisconsin's lakes by fostering responsible lake stewardship and by promoting effective, beneficial environmental public policy.

Great Lakes Timber Professionals Association-Master Loggers and Logger Safety

Beginning in 2006-07, funding has been provided for grants of up to 50% of the cost of certification for individuals pursuing master logger certification through the Great Lakes Timber Professionals Association (GLTPA) (formerly the Wisconsin Professional Loggers Association, which merged with the GLTPA in 2011), and since 2009 Act 28, grants for up to 50% of the cost of receiving safety training. Reimbursement was provided to GLTPA for up to 50% of eligible certification or training costs.

Gathering Waters

Annually beginning in 1996-97, DNR has provided a grant to a Wisconsin-based non-stock, nonprofit corporation meeting all of the following requirements: (a) having an exemption from the federal income tax; (b) providing support to nonprofit conservation organizations (NCOs); (c) having a board of directors that has a majority of members who are representatives of NCOs; and (d) providing \$25,000 to be used with the grant. The grant was awarded to Gathering Waters, Inc. every year. According to its mission statement, Gathering Waters is an informational clearinghouse and technical assistance center to aid individuals and NCOs in preserving, protecting, and enhancing the ecological integrity of Wisconsin's land and water. Gathering Waters used the DNR grant funds to support direct technical assistance to conservation land trusts, as well as outreach efforts. A conservation land trust is a nonprofit organization that, as all or part of its mission, actively works to conserve land by undertaking or assisting in land or conservation easement acquisition, or by its stewardship of such land or easements.

National Resources Foundation

Funding was provided beginning in 2000-01, split-funded evenly between the forestry and water resources account of the conservation fund, for a non-stock, nonprofit corporation organized in Wisconsin and created to accept and utilize private contributions made to protect and enhance the state's natural resources. No match is statutorily required. In each year, the grant has been awarded to the Natural Resources Foundation of Wisconsin. The NRF is a publicly supported non-profit conservation organization governed by a board of private citizens under s. 501(c)(3) of the Internal Revenue Code. According to its mission statement, the NRF was formed in 1986 to boost private sector investment and involvement in state-managed waters, lands, and wildlife.

Urban Forest Protection

Beginning in 1999, forestry account funding has been provided to a federally tax-exempt non-stock, nonprofit corporation organized for urban forest and water resource protection and urban open space purposes. To be eligible to receive the grant, the corporation must provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. In fiscal years 2007-08 through fiscal year 2012-13, the grant was awarded to the River Revitalization Foundation (of Milwaukee). In fiscal year 2013-14, the grant was awarded to the Baird Creek Preservation Foundation (Green Bay). In fiscal year 2014-15, the grant was again awarded to the River Revitalization Foundation of Milwaukee. The River Revitalization Foundation (RRF) is a land trust established in 1994 by the Kiwanis Club and the Rotary Club of Milwaukee to improve the environmental quality of the Milwaukee, Menomonee, and Kinnickinnic Rivers, and to establish public access, walkways, recreation and education bordering the rivers.

Ice Age Trail Alliance

The forestry account also has supported an annual grant to a federally tax-exempt non-stock, nonprofit corporation organized for the purposes of establishing, maintaining, and promoting the Ice Age Trail. The corporation was required to provide \$25,000 in matching funds and submit an annual report to DNR and the Legislature detailing the activities for which the grant was expended. Grant recipients were further directed to support the work of volunteers who develop, maintain, and promote the trail; to build partnerships for the trail with local units of government and nonprofit organizations; promote the protection of a corridor for the trail through the acquisition of land and interests in land; strengthen community support for the trail by involving volunteers and interest groups; and promote tourism related to the trail.

The grant has been awarded to the Ice Age Trail Alliance (formerly the Ice Age Park and Trail Foundation) each year. The Ice Age Trail Alliance is a volunteer organization with headquarters in Cross Plains and volunteer chapters in 21 Wisconsin counties whose mission is to create, support and protect the thousand mile Ice Age National Scenic Trail. The trail route passes through 30 counties in Wisconsin. The Alliance works on design and layout of the trail and volunteers perform routine trail maintenance through local chapters. In addition, the Alliance is a land trust accredited by the Land Trust Accreditation Commission, and completes land transactions and owns land and conservation easements that protect the trail and works with the National Park Service, DNR, and local governments and other land trusts to protect land for the trail.

River Alliance

The 1999-01 biennial budget provided funds for one or more contracts to federally tax-exempt non-stock, nonprofit corporations that provide organizational and technical assistance to community-based river protection groups. The corporation is expected to provide support to nonprofit conservation organizations; maintain a board of directors, the majority of whom are representatives from nonprofit conservation organizations; and contribute \$1 for each \$3 in state grant funds. The corporation is further required to assist in the establishment of nonprofit conservation organizations and provide technical assistance to these groups, as well as conduct conferences on these topics. Each year, one contract has been awarded to the River Alliance of Wisconsin. According to its mission statement, the River Alliance advocates for the protection, enhancement, and preservation of Wisconsin's rivers and watersheds.

County Forests Association

2007 Act 20 expanded the eligible uses of county forest administrator grants to include up to 50% of a county's dues to a nonprofit organization

that provides leadership, counsel, and continuity to a county forest administrator and their respective forestry committee and also functions as an organizational liaison to DNR. Total grant awards may not exceed \$50,000 annually. Since fiscal year 2007-08, \$50,000 forestry SEG annually has been provided to counties for dues paid to the Wisconsin County Forests Association.

Grants to NCOs with Ongoing Funding

Wild Rivers Interpretive Center

Since 2007-08, DNR has been directed to provide a grant annually to the Florence Wild Rivers Interpretive Center to be used for park and recreational uses, forestry education, and tourist information provided by the center and for its operational costs. Funding for the Interpretive Center is provided by Florence County, DNR, and the U.S. Forest Service; however, the Interpretive Center staff do not provide services for the UW-Extension or Department of Transportation, which also have staff in the building. Interpretive Center staff answer questions regarding DNR, U.S. Forest Service, or Florence County Forestry and Parks as well as rules, regulations and laws relating to privately held lands in Florence County. If unable to answer a question, an employee of these three entities are called to the front desk to speak with a patron in person. Staff also provide tourism information and direct visitors to area attractions with maps and literature. The frontline staff also sell all DNR hunting, fishing, trapping, and game licenses and stamps through the Department's automated license system, as well as DNR park and forest admissions and recreational vehicle registrations. No match is specified. Originally, funding of \$27,000 GPR annually had been statutorily specified, but was reduced in practice to \$22,800 GPR due to across-the-board GPR reductions. While 2015 Act 55 deleted the GPR appropriation and funding provided for the grant, 2015 Act 260 provides \$27,000 conservation fund SEG annually for the grant in a new appropriation. DNR indicates this funding is likely to come primarily from

the fish and wildlife and forestry accounts of the conservation fund, but may vary depending on the type of work conducted, and type of licenses or approvals sold at the center.

Lake Monitoring and Protection

Under the lake monitoring, invasive species, and as of 2015 Act 250, the river protection grant programs, DNR may award contracts to public groups or individuals for the creation and support of a statewide lake monitoring network. Under Act 250, the total amount of lake monitoring contracts for each fiscal year may not exceed 25% of the total amount appropriated for the lake protection and monitoring, river protection, and aquatic invasive species grant programs (\$1,642,800 in 2016-17). Since 2003, the Department has awarded the primary contract to UW-Extension to be used for the Citizen Lakes Monitoring Network (CLMN). The funding is used to train and support over 1,000 citizen volunteers in the identification and monitoring of aquatic invasive species. In 2015-16, CLMN awards totaled \$510,100 from water resources account SEG, including \$224,400 from the lake protection grant program and \$285,700 from the lake protection grant program. No funds were allocated from the river protection appropriation in fiscal year 2015-16.

Southeastern Wisconsin Fox River Commission

2015 Act 55 directs DNR to provide a grant for \$200,000 SEG in 2015-16 from the recreational boating aids grant program to the Southeastern Wisconsin Fox River Commission to support ongoing activities consistent with the organization's implementation plan, including: (a) initiating and coordinating surveys and research projects relating to the southeastern Wisconsin Fox River basin; (b) acting as a liaison between federal, state, and local agencies, and other organizations involved in protecting, rehabilitating, and managing water resources; and (c) providing public information relating to the southeastern Wisconsin Fox River. No match is specified.

The Southeastern Wisconsin Fox River Commission was created in 1997 in order to address water resource concerns within the river system. The \$200,000 provided under Act 55 brings to \$1,675,000 the total amount provided to the Commission from the water resources account since its creation, including \$200,000 in 2013-14 under the previous budget act.

Northern Great Lakes Visitor Center

While not budgeted in DNR, since 1997 forestry account SEG has been provided to the State Historical Society for 1.0 position for interpretive programming at the Northern Great Lakes Visitor Center near Ashland in Bayfield County. The Center's mission is to help people connect with the historic, cultural, and natural resources of the Great Lakes Region through customer-based information, services, and educational programs. Partners in the Center include the U.S. Forest Service, National Park Service, U.S. Fish and Wildlife Service, the Wisconsin Historical Society, the Friends of the Center Alliance, and UW-Extension. The Governor's 2015-17 biennial budget bill would have deleted the appropriation and funding for the Visitor Center, but the appropriation and funding was restored under 2015 Act 55.

General Conservation Fund

Revenue

All of the accounts in the conservation fund receive investment income earned on the balance of the overall fund. DNR uses the monthly cash balance in each account of the conservation fund to distribute investment income to each of the accounts. The amount of investment income credited to each account is determined by an individual account's percentage of the overall cash balance in the conservation fund at the end of a given month.

In addition, revenue from hunter, boat, ATV, and snowmobile safety course fees and handling fees associated with license issuance are deposited in the conservation fund.

Expenditures

A number of expenditures are common to more than one account within the conservation fund. The amounts paid for these expenditures are intended to reflect the estimated share that each account's programs contribute to the overall expenditure. These expenditure categories include: (a) administration and technology services; (b) customer assistance and licensing; (c) division management, including enforcement and science management, land program management, and water program management; (d) facilities and lands operations; (e) science services operations; (f) endangered resources operations; (g) administrative facility repair and debt service; (h) aids in lieu of taxes; (i) rent and property maintenance; (j) taxes and assessments; (k) education and safety; and (l) handling fees. These expenditure categories may also receive funding from other sources, such as the general fund, environmental fund or federal revenues. For example, DNR water program management receives GPR support for 8.0 positions in

addition to conservation fund SEG.

Table 26 identifies 2014-15 actual expenditures and 2015-16 appropriated amounts for these split-funded expenditure categories. In 2015-16, \$51 million is budgeted for these purposes out of total authorized conservation fund expenditures of \$260 million.

Administration and Technology Services.

Funding provides for the overall management and direction of the Department as well as support services utilized by all of the programs within the Department. The management component includes the Secretary of the Department, management specialists, and support staff. The other support services provided include legal, financial and information technology services; budget and human resource management; and field services such as inventory control, fleet management, and procurement. All accounts contribute to the Division of Administration and Technology Services, except the endangered resources and natural resources magazine accounts.

Customer Assistance and Licensing. Funds are provided for many of the major customer service needs of DNR, including hunting and fishing

Table 26: Split-Funded Appropriation Expenditures

	2014-15 Actual	2015-16 Appropriated	2014-15 % of total	2016-17 Staff
Administration and Technology Services	\$14,167,400	\$16,307,400	28.6%	121.95
Customer Assistance and Licensing	9,056,600	8,644,100	18.3	71.76
Land Program Management	1,074,300	1,003,900	2.2	7.00
Enforcement and Science Management	759,200	716,500	1.5	5.43
Water Program Management	71,700	19,300	0.1	0.00
Bureau of Facilities and Lands	6,677,700	7,696,800	13.5	74.50
Bureau of Science Services	2,593,300	1,586,700	5.2	7.50
Bureau of Endangered Resources	824,600	736,300	1.7	7.10
Administrative Facility Repair and Debt Service	3,664,900	4,909,700	7.4	0.00
Aids in Lieu of Taxes	6,246,700	6,530,000	12.6	0.00
Resource Acquisition and Development	2,496,800	1,322,800	5.1	0.00
Rent and Property Maintenance	1,314,900	697,400	2.7	0.00
Taxes and Assessments	72,600	297,000	0.1	0.00
Education and Safety	296,900	337,600	0.6	0.00
Handling Fees	189,600	152,500	0.4	0.00
Total	\$49,507,200	\$50,958,000	100.0%	295.24

license sales, recreational vehicle registrations, environmental permits, and the customer service call and dispatch center. The program also staffs communication and education initiatives and the administration of several of the Department's local grant programs. The Department's liaisons to the Legislature, businesses and tribal, local, and federal governments are also part of this program. Management of the DNR regional offices record-keeping, and internal auditing are also housed under this program.

Division Management. The fish and wildlife, forestry and parks accounts all contribute funding to the management of the Division of Land. In addition, the fish and wildlife, water resources, boat registration, and ATV accounts contribute to the management of what was formerly referred to as the Division of Enforcement and Science. Under 2015 Act 55, the Enforcement and Science budgetary program was renamed Public Safety and Business Support. The fish and wildlife and water resources accounts contribute to the management of the Division of Water. The management staff of the DNR divisions is responsible for developing and implementing policy for their overall divisions. Division management staff includes the division administrators, deputy administrators, and regional management.

Bureau of Facilities and Lands. The Bureau of Facilities and Lands in the Division of Lands is responsible for managing and maintaining the Department's administrative facilities, planning and implementing the agency's land acquisition program and capital development budget, maintaining land records and directing the payment of property taxes and aids in lieu of taxes to affected local governments. Civil engineering, construction activities and contract management for environmental remediation on DNR properties are also undertaken by this Bureau. The fish and wildlife, forestry, and parks accounts contribute funding.

Bureau of Science Services. The Bureau of Science Services in the Public Safety and Business

Support program is partially funded from the fish and wildlife and forestry accounts. The Bureau coordinates the various aspects of the Department's ecological, environmental and sociological research program. Science Services both operates research facilities and manages contracts with outside facilities. The Bureau certifies operations of environmental facilities including operators of wastewater treatment systems, water supply systems, incinerators, sanitary landfills and septage service businesses. Science Services also collects environmental fees. The Bureau also provides technical writing, editing, and publication support to other DNR program staff.

In addition, 2013 Act 20 provides \$85,000 annually beginning in 2013-14 and 1.0 project position from the water resources account for development of a remote sensing program to measure lake water quality, in-lake vegetation, and riparian development. Remote sensing primarily involves the use of satellites to relay water quality data. The remote sensing will provide DNR with water quality data on over 8,000 lakes annually, whereas previous lake monitoring efforts using field crews were limited to a small percentage of Wisconsin lakes due to cost constraints. The funding will cover the project position as well as computer hardware and software, field activities (travel, lab costs and equipment) and review and consultation meetings with NASA scientists.

Endangered Resources. The fish and wildlife and forestry accounts contribute to the Natural Heritage Conservation Bureau (formerly the Endangered Resources Bureau) in the Division of Land to support the Bureau's ecological inventory and monitoring (EIM) program and management of the aquatic and terrestrial resources information system. The Bureau works with a variety of stakeholders to identify, protect, and manage native plant and animal species.

Administrative Facility Repair and Debt Service. Funding is budgeted to maintain DNR buildings on state-owned properties and to finance

the debt service on bonds used to pay for the construction of certain buildings. All accounts contribute to administrative facility repair and maintenance, except the endangered resources and natural resources magazine accounts.

Aids in Lieu of Property Taxes. DNR provides aids to cities, villages or towns in lieu of property taxes for DNR-owned land within each municipality, budgeted at \$13,930,000 in 2015-16 (\$7,400,000 GPR and \$6,530,000 SEG). Segregated funds come primarily from the forestry account, but also from the fish and wildlife and parks accounts.

Payments vary depending on when the land was purchased. The aid payment for land purchased prior to July 1, 1969, is 88¢ per acre. (Prior to 1997 Act 27, this rate was 80¢ per acre.) For land purchased after July 1, 1969, and through December 31, 1991, payments are based on the statewide average property tax rate for municipal, county and school taxes for the tax year after purchase applied to the land's assessed value. For this latter category of land, each year after the initial year the payment is reduced by 10% of the first year amount until the 10th year or until a payment of 50¢ per acre is reached. These payments are budgeted at \$780,000 SEG each year in the 2015-17 biennium.

For land the Department purchased after December 31, 1991, DNR generally pays each municipality an amount equal to the tax that would be due on the estimated value of the property at the time it was purchased, adjusted annually to reflect changes in the equalized valuation of all land, excluding improvements, in the taxation district. The municipality that receives the payment from DNR pays each taxing jurisdiction a proportionate share of the payment, based on its levy.

As noted, prior to 2003, aids in lieu payments were made entirely from a sum sufficient, GPR appropriation. However, the 2003-05 biennial budget provided \$1 million in 2003-04 and \$2

million in 2004-05 from the forestry account of the conservation fund for these payments. Through fiscal year 2014-15, statutory language specified that the first draw for aids in lieu of property tax payments be taken from the forestry account appropriation. The amount increased over the next several years until reaching \$5,470,000 SEG annually, beginning in 2012-13. 2015 Act 55 specifies that, in fiscal year 2015-16, 45% of payments of aids in lieu of taxes (for lands acquired after 1991) be made from the forestry account of the conservation fund, and the remainder from GPR. Beginning in fiscal year 2016-17, 50% of payments of aids in lieu of taxes are required to be made from the forestry account with 50% from GPR.

Resource Acquisition and Development. Funds from the fish and wildlife, forestry, and parks accounts (\$889,100 budgeted in 2015-16) are utilized for land acquisition, development, and improvement of fish refuges and game refuges. In addition, funds from the fish and wildlife, forestry, and parks accounts (\$45,000 in 2015-16) are utilized for the payment of principal and interest costs incurred in acquiring, constructing, developing, enlarging, or improving state recreation facilities and state fish hatcheries, and the fish and wildlife account (\$16,300 in 2015-16) is utilized to pay debt service for a land acquisition program that was a precursor to the Stewardship program. In addition, funds from the fish and wildlife, forestry, parks, water resources, boat registration, ATV, and snowmobile accounts (\$372,400 budgeted in 2015-16) are utilized for the acquisition, development, and construction costs of new facilities and maintenance costs of existing buildings within the respective programs. For example, funding has been used to renovate several DNR service centers.

Taxes and Assessments. Taxes and assessments levied against DNR are paid in part from the fish and wildlife, forestry, and parks accounts. These assessments most commonly occur when a local government undertakes an infrastructure im-

provement that also affects DNR property, such as the extension of sewer lines by the city of Baraboo to Devil's Lake State Park. The locality then assesses DNR some amount for the cost of the improvement.

Rent and Property Maintenance. These two continuing appropriations are supported by all revenues received for the rental of DNR property or equipment by members of the public or other agency staff. Funds are used for the maintenance or replacement of the property or equipment. This may include shared office space payments, and logging or other heavy equipment use. In 2014-15, monies were expended from the fish and wildlife, forestry, and parks and endangered resources accounts.

Education and Safety. Revenue from hunter safety, boat safety, ATV safety, and snowmobile safety course fees is deposited in this appropriation in the account corresponding to the safety course (fish and wildlife, boat registration, ATV, and snowmobile accounts). Expenditures are then made from each account to support operation of the safety education courses, such as the costs of supplies, copying, and instructor mileage.

Handling Fees. Revenue from a \$3 handling fee is used to cover the costs associated with issuing licenses that are requested by mail or purchased on the internet and includes credit transaction fees, mailing and personnel costs that are necessary to process the credit transactions.

Non-budget Accounts

The Department maintains several non-budget segregated revenue accounts, managed separately from the nine accounts of the conservation fund (including promotions, certain gifts and donations, and equipment pool operations). The largest of these is the equipment and vehicle pool account,

made up primarily of the Department's fleet operations.

A fleet account is maintained for the purchase, use, and maintenance of cars, trucks, and heavy equipment utilized by the agency. The Department's fleet operations are managed centrally through a segregated revenue appropriation. 2013 Act 20 modified the equipment pool operations appropriation to also specifically include the sale of, and for costs of, fire control equipment. Fleet costs including vehicle depreciation, fuel, oil, repairs, insurance, and administrative costs are charged to the appropriation, and then recovered through chargebacks to programs.

When DNR staff use a fleet vehicle, their program (such as law enforcement, wildlife management, or forestry) is charged a fleet usage rate, which they generally pay on a per-mile, or monthly basis. Fleet rates vary depending on the vehicle class (such as car, light truck or heavy truck). Rates remained the same from calendar year 2012 through calendar year 2014. For example, the rate for a small utility vehicle was 39¢ per mile during that period.

Fiscal year 2015-16 rates were set using information from the last complete prior fiscal year of data (based on fiscal year 2013-14 costs). For example, the FY16 rate for a small utility vehicle is 47¢ per mile. The rates also take into account increases in fuel costs as well as inflation rates (based on U.S. Department of Energy estimates and the Consumer Product Index), and the fleet balance. The fleet account also receives revenue from the sale of assets (used vehicles).

The federal government allows states to recover annual costs of operating a fleet including depreciation and the gain or loss on the sale of assets. The fleet account does not recover the full costs of capital expenditures (vehicle purchases) in the year they are incurred; therefore, the account carries a cash deficit. For example, if the fleet account were to purchase a heavy truck at a cost of

\$50,000, and the vehicle was projected to last for 15 years; the account would be set-up to recover the annual depreciated value of the vehicle from the programs (plus other operating costs such as maintenance and fuel costs). Therefore, under section 20.903(2)(b) of the statutes, the account is allowed to carry a cash deficit as long as the un-depreciated (net book) value of fleet assets exceeds the cash deficit. Table 27 shows the condition of the non-budget accounts including the fleet account.

Table 27: Non-budget Accounts Condition

	2014-15 Actual	2015-16 Estimated
Opening Balance	-\$23,022,100	-\$21,192,200
Revenue		
Equipment and Vehicle Pool	\$10,920,800	\$11,041,700
Promotions and Publications	83,700	96,700
Other Revenue	<u>1,455,800</u>	<u>938,400</u>
Total Revenue	\$12,460,300	\$12,076,800
Expenditures		
Equipment and Vehicle Pool	\$9,143,000	\$11,066,800
Promotions and Publications	91,800	71,700
Other Expenditures	<u>1,395,500</u>	<u>777,500</u>
Total Expenditures	\$10,630,300	\$11,916,000

Appendices

Following are five appendices, which provide additional information about the conservation fund.

- Appendix I shows estimates of the overall condition statement for the conservation fund (based primarily on projections included in DNR's biennial budget request).
- Appendix II describes the most recent fee increases and current fees assessed for hunting and fishing licenses and permits and the total number sold during 2015-16.
- Appendix III describes the requirements and benefits of landowner enrollment in the DNR Deer Management Assistance Program (DMAP).
- Appendix IV identifies vehicle admission fees and camping fees assessed for state park and forest properties.
- State parks and recreation areas and their locations are shown in Appendix V.
- Appendix VI identifies the current fees assessed for boat registration.

APPENDIX I

Conservation Fund Condition Statement 2014-15 and 2015-16

	Fish and Wildlife	Forestry	Parks	Water Resources	Boat Registration	Snowmobile	All-Terrain Vehicle	Endangered Resources	Natural Resources Magazine	Non-Budget Accounts	Total Conservation Fund
2014-15 Actual											
Opening Balance	\$22,401,400	\$26,550,100	\$6,550,600	\$16,670,300	\$3,610,300	\$5,961,000	\$8,596,500	\$1,740,000	\$523,100	-\$23,022,100	\$69,581,200
Revenue	74,159,100	105,316,600	16,581,900	12,885,800	7,214,400	9,201,600	7,436,600	1,020,600	772,900	12,460,300	247,049,800
Expenditures	<u>73,321,100</u>	<u>101,051,200</u>	<u>15,328,700</u>	<u>12,267,800</u>	<u>5,656,300</u>	<u>9,255,900</u>	<u>6,202,000</u>	<u>804,200</u>	<u>789,000</u>	<u>10,630,300</u>	<u>235,306,500</u>
Closing Cash Balance	\$23,239,400	\$30,815,500	\$7,803,800	\$17,288,300	\$5,168,400	\$5,906,700	\$9,831,100	\$1,956,400	\$507,000	-\$21,192,100	\$81,324,500
2015-16 Estimate											
Opening Balance	\$23,239,400	\$30,815,500	\$7,803,800	\$17,288,300	\$5,168,400	\$5,906,700	\$9,831,100	\$1,956,400	\$507,000	-\$21,192,100	\$81,324,500
Revenue	75,110,000	108,390,000	18,848,300	13,196,400	7,525,000	14,005,000	7,103,100	1,207,000	815,000	12,076,800	258,276,600
Budgeted Expenditures	76,309,300	113,871,100	21,133,600	13,197,800	5,780,200	9,776,400	6,622,400	839,800	581,800	11,916,000	260,028,400
Reserves/Lapses*	-3,000,000	-3,500,000	-850,000	0	0	0	0	0	0	0	-7,350,000
Estimated Expenditures	<u>73,309,300</u>	<u>110,371,100</u>	<u>20,283,600</u>	<u>13,197,800</u>	<u>5,780,200</u>	<u>9,776,400</u>	<u>6,622,400</u>	<u>839,800</u>	<u>581,800</u>	<u>11,916,000</u>	<u>252,678,400</u>
Closing Cash Balance	\$25,040,100	\$28,834,400	\$6,368,500	\$17,286,900	\$6,913,200	\$10,135,300	\$10,311,800	\$2,323,600	\$740,200	-\$21,031,300	\$86,922,700
Encumbrances/Continuing**	\$14,311,700	\$11,319,200	\$801,700	\$15,659,500	\$48,100	\$5,239,000	\$6,847,200	\$2,287,500	\$710,200	\$1,358,800	\$58,582,900
Available Balance	\$10,728,400	\$17,515,200	\$5,566,800	\$1,627,400	\$6,865,100	\$4,896,300	\$3,464,600	\$36,100	\$30,000	-\$22,390,100	\$28,339,800

*Includes estimates of amounts lapsing back to certain account balances due to position vacancies.

**Amounts encumbered, but not yet expended and balances in continuing appropriations that may only be used for the statutorily authorized purposes (balances are not available for general account expenditures).

APPENDIX II

Major Hunting and Fishing License Fees and Fiscal Year 2015-16 Sales

	Current Fee	2015-16 Licenses Sold
Resident Hunting		
Small Game	\$18.00	83,674
Senior Small Game	9.00	16,172
Youth Small Game	9.00	9,119
Deer	24.00	400,898
Youth Deer	20.00	50,018
10- and 11- Year Old Deer	7.00	14,214
Bonus Deer	12.00	83,573
Elk	49.00	N/A
Class A Bear*	49.00	9,170
Class B Bear Pursuit**	14.00	1,051
Wolf	49.00	N/A
Archery	24.00	139,897
Youth Archery	20.00	10,841
10- and 11- Year Old Archery	7.00	1,408
Wild Turkey	15.00	96,308
Extra Turkey Tag	10.00	81,880
Trapping	20.00	5,107
Youth Trapping	10.00	288
Nonresident Hunting		
Annual Small Game	\$85.00	5,822
Five-day Small Game	55.00	2,057
Deer	160.00	25,390
Bonus Deer	20.00	4,624
Elk	251.00	N/A
Class A Bear	251.00	318
Class B Bear	110.00	72
Wolf	251.00	0
Archer	160.00	6,904
Wild Turkey	60.00	3,819
Extra Turkey Tag	15.00	3,845
Furbearing Animal	160.00	35
Hunting Stamps		
Pheasant	\$10.00	35,218
Waterfowl	7.00	58,085
Wild Turkey	5.25	102,800
Fishing Stamps		
Inland Trout	\$10.00	140,801
Great Lakes Trout and Salmon	10.00	133,192
Two-day Great Lakes Fishing	14.00	26,133
Two-day Inland Lake Trout	14.00	190
Resident Multiple Licenses		
Conservation Patron	\$165.00	46,723
Junior Patron	75.00	4,015
Sports License	60.00	45,143
Junior Sports	35.00	2,287
Disabled Veteran Rec Card	7.00	1,723

APPENDIX II (continued)

Major Hunting and Fishing License Fees and Fiscal Year 2015-16 Sales

	Current Fee	2015-16 Licenses Sold
Nonresident Multiple Licenses		
Conservation Patron	\$600.00	159
Junior Patron	77.00	853
Sports License	275.00	473
Junior Sports	36.00	3,077
Resident Fishing		
One-day	\$8.00	8,742
Annual	20.00	467,318
Senior Annual	7.00	130,625
Youth Annual	7.00	31,472
Husband and Wife	31.00	103,325
Disabled	7.00	14,447
Disabled Veteran	3.00	3,742
Sturgeon Spearing	20.00	13,209
Sturgeon Hook and Line	20.00	842
Nonresident Fishing		
Individual:		
One-day	\$10.00	61,886
Annual	50.00	78,248
Fifteen-day	28.00	24,300
Four-day	24.00	54,273
Family		
Annual	65.00	30,529
Fifteen-day	40.00	14,097
Sturgeon Spearing	65.00	280
Sturgeon Hook and Line	50.00	159

*Class A Bear licenses are awarded through a preference point lottery system whereby an applicant can apply once each year and elect to either purchase a preference point or be included in the drawing. If the applicant is not a drawing winner, one preference point is added to the applicant's total. Either option is \$49 for residents and \$251 for nonresidents.

**2015 Act 55 deleted the Class B bear license and increased the Class A bear application fee from \$3 to \$4.50.

APPENDIX III

Deer Management Assistance Program

Minimum Acreage Requirement	May Apply as a Group Cooperative	Fee	Resources Available	Data Required to be Collected & Reported to DNR	Voluntary Data Submitted by Participants	<u>Current Participation</u>	
						No. of Applications	No. of Landowners
Level 1 0	No	\$0	<p>DMAP educational resources</p> <p>Technical assistance from Department employees including Wildlife biologists and foresters</p> <p>Annual program reports</p> <p>An opportunity to attend annual workshops organized by DNR or its partners</p> <p>Assistance with individual projects that have scientific value</p> <p>Information on forming program cooperatives</p>	N/A		89	89
Level 2 160	Yes	\$75	<p>All benefits of Level 1, plus: One on-site consultation visit by a DNR wildlife biologist and a DNR forester</p> <p>A management plan with habitat and harvest recommendations developed individually for the enrolled property or cooperative</p> <p>Reduced price antlerless tags (if applicable to management goals)</p> <p>Property specific harvest reports</p>	Harvest Date, Firearm used, number and sex of deer harvested	Antler dimensions, lactation status, weight, wildlife observations, trail camera photos	73	171
Level 3 640	Yes	\$150	<p>All benefits of Levels 1 and 2, plus: Assistance with deer population monitoring</p> <p>Habitat evaluations</p> <p>Assistance with enrollment in other conservation programs</p> <p>Technical assistance and design for habitat and property management activities</p> <p>Additional site visits when needed and detailed management recommendations</p>	Same as Level 2	Same as Level 2	18	77

APPENDIX IV

Current State Park, Forest, Recreation Area, and Trail Property Campsite Fees

State Park, Forest, Recreation Area or Trail Property	Wisconsin Resident (Per site per night)		Nonresident (Per site per night)	
	Site Only	With Elec.	Site Only	With Elec.
Amnicon Falls State Park	\$16	--	\$21	--
Big Bay State Park	20	\$30	25	\$35
Big Foot Beach State park	18	28	23	33
Black River State Forest (Castle Mound Campground)	18	28	23	33
Black River State Forest (East Fork and Pigeon Creek Campgrounds)	16	26	21	31
Blue Mound State Park	18	28	23	33
Brule River State Forest	16	--	21	--
Brunet Island State Park	18	28	23	33
Buckhorn State Park	18	28	23	33
Chippewa Moraine State Recreation Area*	16	--	21	--
Copper Falls State Park	20	30	25	35
Council Grounds State Park	18	28	23	33
Devil's Lake State Park	20	30	25	35
Elroy Sparta State Trail*	16	--	21	--
Flambeau River State Forest	16	--	21	--
Glacial Drumlin State Trail (Sandhill Station)	16	--	21	--
Governor Dodge State Park	18	28	23	33
Governor Knowles State Forest*	16	--	21	--
Governor Thompson State Park	18	28	23	33
Harrington Beach State Park	18	28	23	33
Hartman Creek State Park	18	28	23	33
High Cliff State Park	18	28	23	33
Interstate State Park	18	28	23	33
Kettle Moraine State Forest- Northern Unit	18	28	23	33
Kettle Moraine State Forest - Pike Lake Unit	18	28	23	33
Kettle Moraine State Forest- Southern Unit	18	28	23	33
Kohler-Andrae State Park	20	30	25	35
Lake Kegonsa State Park	20	30	25	35
Lake Wissota State Park	18	28	23	33
Lapham Peak Unit (Backpack site)	18	--	23	--
Merrick State Park	16	26	21	31
Mill Bluff State Park	16	26	21	31
Mirror Lake State Park	20	30	25	35
Nelson Dewey State Park	16	26	21	31
New Glarus Woods State Park	18	28	23	33

APPENDIX IV (continued)

Current State Park, Forest, Recreation Area, and Trail Property Campsite Fees

State Park, Forest, Recreation Area or Trail Property	Wisconsin Resident (Per site per night)		Nonresident (Per site per night)	
	Site Only	With Elec.	Site Only	With Elec.
Newport State Park	\$20	--	\$25	--
Northern Highland American Legion (NHAL) State Forest (Allequash Wilderness, Bittersweet Wilderness, Carrol Lake, Crystal Lake, Clear Lake, Clear Wilderness, Day Lake Wilderness, Firefly Lake, Indian Mounds, Musky Lake, Nebish Wilderness, Plum Lake and South Trout Lake campgrounds)	20	\$30	25	\$35
Northern Highland American Legion (NHAL) State Forest (Big Lake, Buffalo Lake, Cunard Lake, North Trout Lake, Razorback Lake, Sandy Beach Lake, Star Lake East and West, Starrett Lake, and Upper Gresham Lake campgrounds)	16	--	21	--
Pattison State Park	18	28	23	33
Peninsula State Park	20	30	25	35
Perrot State Park	18	28	23	33
Peshtigo River State Forest (Old Veteran's Lake campground)	16	--	21	--
Peshtigo River State Forest (Water flowage site)	18	--	23	--
Point Beach State Forest	20	30	25	35
Potawatomi State Park	18	28	23	33
Richard Bong State Recreation Area	18	28	23	33
Roche-A-Cri State Park	16	26	21	31
Rock Island State Park	20	--	25	--
Rocky Arbor State Park	16	26	21	31
Tower Hill State Park*	16	--	21	--
Wildcat Mountain State Park	18	28	23	33
Willow River State Park	18	28	23	33
Wyalusing State Park	18	28	23	33
Yellowstone Lake State Park	18	28	23	33

Per reservation

Reservation Fee	\$9.65
Reservation Cancellation fee	\$5
Fee for Changing Reservation Site or Dates**	\$5

*Property has non-reservable campsites only.

**Campers may change the beginning date of their reservation or shorten their reservation, as long as least one day of the stay remains the same. To extend your stay or camp at a totally different time, you will have to cancel the original reservation and make a new one.

Note: An additional \$5 fee is charged for anyone who fails to pay the fee before using the campsite if there's a self-registration station available.

APPENDIX V

State Parks and Recreation Areas Operated by DNR Parks Staff

Facility	Nearby City	County
1. Amnicon Falls	Superior	Douglas
2. Aztalan	Lake Mills	Jefferson
3. Big Bay	Bayfield	Ashland
4. Big Foot Beach	Lake Geneva	Walworth
5. Blue Mound	Blue Mounds	Iowa
6. Bong, Richard SRA	Kansasville	Kenosha
7. Browntown-Cadiz Springs SRA	Monroe	Green
8. Brunet Island	Cornell	Chippewa
9. Buckhorn	Necedah	Juneau
10. Chippewa Moraine SRA	New Auburn	Chippewa
11. Copper Falls	Mellen	Ashland
12. Council Grounds	Merrill	Lincoln
13. Cross Plains	Cross Plains	Dane
14. Devil's Lake	Baraboo	Sauk
15. Fenley SRA	Kieler	Grant
16. Governor Dodge	Dodgeville	Iowa
17. Governor Nelson	Wausau	Dane
18. Governor Thompson	Mountain	Marinette
19. Harrington Beach	Belgium	Ozaukee
20. Hartman Creek	Waupaca	Waupaca
21. High Cliff	Menasha	Calumet
22. Hoffman Hills SRA	Menomonie	Dunn
23. Interstate	St. Croix Falls	Polk
24. Kinnickinnic	River Falls	Pierce
25. Kohler-Andrae	Sheboygan	Sheboygan
26. Lake Kegonsa	Stoughton	Dane
27. Lakeshore	Milwaukee	Milwaukee
28. Lake Wissota	Chippewa Falls	Chippewa
29. Menominee River SRA	Niagara	Marinette
30. Merrick	Fountain City	Buffalo
31. Mill Bluff	Camp Douglas	Monroe
32. Mirror Lake	Baraboo	Sauk
33. Natural Bridge	Baraboo	Sauk
34. Nelson Dewey	Cassville	Grant
35. New Glarus Woods	New Glarus	Green
36. Newport	Ellison Bay	Door
37. Pattison	Superior	Douglas
38. Peninsula	Fish Creek	Door
39. Perrot	Trempealeau	Trempealeau
40. Potawatomi	Sturgeon Bay	Door
41. Rib Mountain	Wausau	Marathon
42. Roche-A-Cri	Friendship	Adams
43. Rock Island	Washington	Door
44. Rocky Arbor	Wisconsin Dells	Sauk
45. Straight Lake*	St. Croix Falls	Polk
46. Sauk Prairie SRA	Baraboo	Sauk
47. Tower Hill	Spring Green	Iowa
48. Whitefish Dunes	Sturgeon Bay	Door
49. Wildcat Mountain	Ontario	Vernon
50. Willow River	Hudson	St. Croix
51. Wyalusing	Bagley	Grant
52. Yellowstone Lake	Blanchardville	Lafayette

SRA = State Recreation Area

*Use of Straight Lake State Park is limited to foot traffic only. Boats may be carried in for fishing.

APPENDIX VI

Boat Registration Fees (Valid for Three Years)

Registration	Current Fee
Non-Motorized	
Volunteer	\$11.00
Sailboat	17.00
Motorized	
Under 16'	\$22.00
16' to 26'	32.00
26' to 40'	60.00
Over 40'	100.00
Fleet	
Fleet certification fee*	\$27.00
Non-Motorized Fleet	
Volunteer	\$5.50
Sailboat	8.50
Motorized Fleet	
Under 16	\$11.00
16' to 26'	16.00
26' to 40'	30.00
Over 40'	50.00
Transfer Registration Fees	
Under 16	\$3.75
16' to 26	5.75
Dealer /manufacturer fee	\$75.00

Notes: An additional \$5 title fee is added for certain new or transferred boat registrations.
Voluntarily registered boats may include canoes, kayaks, duck skiffs and other human-powered boats.

*The fleet certification fee is applied to people who own and register three or more boats, and is paid in addition to the per-boat fee shown. The fee is also required with a renewal. As shown in the table, the per-boat fleet registration fee is equal to 50% of the nonfleet registration fee.