

Currently, under the land acquisition subprogram, DNR may obligate not more than \$32 million in fiscal year 2015-16 and not more than \$36 million in each year from fiscal year 2013-14 through 2019-20, and must set aside \$12 million annually for grants to NCOs and set aside \$1 million annually to acquire land from the Board of Commissioners of Public Lands (BCPL) in fiscal years 2016-17 through 2019-20. The land acquisition subprogram may also be utilized for grants to counties to acquire land to be included in a county forest. Under the bill, the Department would be prohibited from obligating any funds under the land acquisition subprogram of the reauthorized stewardship program (bonding authority of up to \$1,134,500 authorized for the 20 fiscal years from 2000-01 through 2019-20), if the annual general fund debt service on amounts obligated under the reauthorized program exceeds \$54,305,700. While it is unclear under the bill when this provision would be triggered, the administration indicates that the intent was that DNR not obligate funds under the land acquisition subprogram of the reauthorized program if, in the prior fiscal year, the GPR debt service on the reauthorized program exceeded \$54,305,700. The following table shows actual 2013-14 and budgeted 2014-15 through 2016-17 stewardship-related debt services costs.

Stewardship Debt Repayments

	<u>2013-14 Actual</u>	<u>2014-15 Base</u>	<u>Governor</u>	
			<u>2015-16</u>	<u>2016-17</u>
GPR	\$73,464,500	\$76,307,000	\$74,935,700	\$71,306,200
SEG	<u>13,500,000</u>	<u>13,500,000</u>	<u>13,500,000</u>	<u>13,500,000</u>
Total	\$86,964,500	\$89,807,000	\$88,435,700	\$84,806,200

While the majority of the debt service shown in the table is related to the stewardship program, a portion of the payments are related to bonding mostly authorized prior to the creation of the first stewardship program for several similar recreational land acquisition programs, and for a local dam repair and removal grant program. Of the total \$87 million expended in fiscal year 2013-14, approximately \$64 million was for principal repayment and interest related to the reauthorized stewardship program and approximately \$21 million was for the original stewardship program (the \$231 million BR authorized for the 10 years from 1990-91 through 1999-2000).

Joint Finance: Delete provision. Rather, specify that DNR may not obligate more than \$33,250,000 in each year from fiscal year 2015-16 through 2019-20 under the reauthorized stewardship program as shown in the following table. Reduce the amount of total bonding authority for the stewardship program by \$88,250,000 from the currently authorized \$1,365,500,000 (\$1,277,250,000 would be authorized for the program) and provide \$50,000 GPR in 2015-16 and \$980,000 GPR in 2016-17 to reflect estimated debt service payments under the revised program.

Joint Finance Stewardship Program Allocations

	<u>2015-16</u>	<u>2016-17 thru 2019-20</u>
<i>Land Acquisition Subprogram</i>		
DNR Acquisition	\$9,000,000	\$9,000,000
County Forests	5,000,000	5,000,000
Nonprofit Conservation Organizations (NCOs)	<u>7,000,000</u>	<u>7,000,000</u>
Land Acquisition Subtotal	\$21,000,000	\$21,000,000
<i>Property Development and Local Assistance Subprogram</i>		
DNR Property Development	\$3,750,000	\$3,750,000
Kettle Moraine Springs*	0	0
Local Assistance	<u>6,000,000</u>	<u>6,000,000</u>
Subtotal	\$9,750,000	\$9,750,000
<i>Recreational Boating Aids</i>	2,500,000	2,500,000
Total Bonding Allocation	\$33,250,000	\$33,250,000
Current Law and Governor BR	<u>54,500,000</u>	<u>50,000,000</u>
Change to Current Law and Governor	-\$21,250,000	-\$16,750,000

*\$26.6 million would be enumerated for the Kettle Moraine Springs Fish Hatchery project and DNR may obligate up to \$26.6 million for the project. However, DNR may use up to \$19.6 million in authorized but unobligated funds through fiscal year 2013-14 (\$27,855,000 available) for the project along with \$7 million set aside in fiscal year 2014-15 under current law.

Land Acquisition. The bill would specify \$9 million each year be allocated for DNR land acquisition. A current law provision would remain that specifies DNR may not obligate more than one-third of this amount for land acquisition in fee simple (outright purchase); therefore, at least two-thirds (\$6 million) must be used for DNR easements or grants for county forests. Further, specify that \$5 million annually be set aside from the land acquisition subprogram only to provide grants to counties primarily to acquire land to be included in a county forest (under current law, DNR has discretion over the amount of annual land acquisition subprogram funding allocated to county forest grants). In addition, specify that the annual amount required be set aside from the land acquisition subprogram for Department purchases (including fee title and easement purchases) for the Ice Age Trail be \$1 million (rather than the \$3 million currently provided for DNR purchases and grants for state trails and the Ice Age Trail). Also, eliminate the requirement that the Department set aside \$1 million each year beginning in 2016-17 from land acquisition for purchases from the Board of Commissioners of Public Lands (BCPL) [The Department would remain able to utilize their general land acquisition funds to purchase property from BCPL]. In addition, require DNR to set aside \$7 million each year for grants to NCOs (rather than the \$12 million set aside under current law), with any remaining NCO allocation available for grants to county forests in the subsequent year (as under current law).

Property Development. Specify that stewardship bonding of \$3,750,000 each year from 2015-16 through 2019-20 may be utilized for DNR property development, including motorized stewardship grants. In addition, provide \$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. Specify the 2015-17 state building program include a total of \$13.5 million in property development funding. [The Building Commission's 2015-17 building program recommendations would not have provided for any DNR property development projects utilizing stewardship funds. Joint Finance would provide \$3.75 million each year in stewardship bonding authority for DNR property development and \$3 million forestry SEG each year in one-time funds in 2015-16 and 2016-17.]

4. KETTLE MORaine SPRINGS FISH HATCHERY AND USE OF UNOBLIGATED STEWARDSHIP BONDING AUTHORIZATION [LFB Papers 451 and 452]

Governor: Specify that an additional \$14 million in existing Knowles-Nelson Stewardship Program bonding authority from the property development and local assistance subprogram be designated for infrastructure improvements to the Kettle Moraine Springs Fish Hatchery in Sheboygan County, including \$7 million in fiscal year 2016-17 and \$7 million in fiscal year 2017-18. Further, specify that s. 23.0917(5g) of the statutes, which prohibits the Department from obligating an unobligated amount appropriated for a subprogram in a given year in subsequent fiscal years, does not apply with respect to amounts obligated before July 1, 2018, for infrastructure improvements to the Kettle Moraine Springs fish hatchery. [An amendment would be needed to implement this intent.]

Joint Finance: Specify that, notwithstanding section 23.0917(5g) of the statutes, DNR shall obligate funds from existing stewardship bonding authority that was not obligated in fiscal years 2011-12, 2012-13, and 2013-14 [\$27,855,000], in the following amounts for the following purposes as shown in the table: (a) the amount necessary, but not more than \$19.6 million for infrastructure improvements to the Kettle Moraine Springs (KMS) fish hatchery (this would be in addition to the \$7 million in authorized bonding authority from fiscal year 2015-16 that was set aside for the KMS hatchery project, enumerating a total of \$26.6 million stewardship BR for the project); (b) the amount necessary, but not more than \$5.0 million for a project to repair or replace the Little Falls Dam at Willow River State Park in St. Croix County (including \$3,041,700 from existing general fund supported borrowing provided under the state building program amendment -- the project would be enumerated at \$8,041,700); and (c) any remaining unobligated funds for county dam safety grants under section 32.385(7) of the statutes, until the total amount obligated from the stewardship program for these grants reaches \$6 million (estimated at approximately \$3.2 million).

<u>Project</u>	<u>Previously Unobligated Bonding Authority</u>
Kettle Moraine Springs Fish Hatchery	\$19,600,000
Little Falls Dam (Willow River State Park)	5,000,000
County Dam Safety Grants	<u>3,237,400*</u>
Total	\$27,837,400

*Estimate. DNR currently expects to obligate approximately \$2,762,600 of the \$6 million set aside for county dam safety grants by the end of fiscal year 2014-15.