

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

SUBJECT: Final 2013-2015 Biennial Budget Update

FOR: August 2013 Board meeting

TO BE PRESENTED BY: Joe Polasek, Director, Bureau of Management and Budget

SUMMARY:

The Final two-year DNR budget is \$576.6 million for 2013-14 and \$575.3 million for 2014-15. In total, the two-year budget includes an increase of \$27.8 million over the 2013-15 Biennial Budget. The Budget includes a variety of items which have both positive and negative impacts on the final overall growth number. For example, some of the larger items include a two year decrease of \$13.5 million related to standard cost to continue items as defined by DOA, which are primarily composed of the difference in amounts budgeted for salaries versus actual salary costs. It also includes increases of \$21.7 million for debt service reestimates. The Budget increase also reflects an \$18.5 million increase associated with the Consolidation of Petroleum Environmental Cleanup Programs in DNR, with their transfer from DSPS.

However, the Budget does include a variety of other initiatives, many of which are highlighted in the attachment to this Green Sheet. They include things like:

- New Deer Management funding,
- A Walleye Initiative
- Increased funding for state fish hatchery improvements
- New resources for the State's Air Management Program
- 2.0 additional new FTE to assist in our efforts to oversee Sand Mining efforts in the State
- Funding to maintain Park, Forest, Fisheries and Law Enforcement operations.

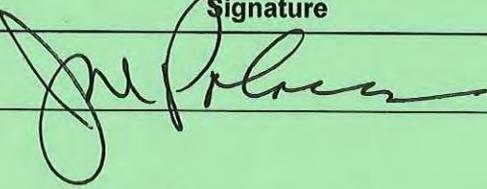
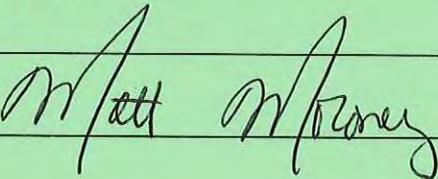
This budget in total reflects a 2.5% increase over the 2012-13 base.

This budget includes a decrease of 34.40 FTE to the Department's base staffing complement, bringing overall staffing to 2,637.04.

RECOMMENDATION: Information only

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

- Background memo
- Background Summary Tables
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Approved by	Signature	Date
Joe Polasek, Bureau Director		07-30-13
Type division administrator's name or type "Not applicable", Administrator		
Cathy Stepp, Secretary		7/30/13

Department of Natural Resources

2013-15 Final Biennial Budget

Changes to the 2013-14 Base
(\$\$ in Millions)

Funding Source	Base	Changes to Base		Final Budget	
		\$\$ 2013-14	\$\$ 2014-15	\$\$ 2013-14	\$\$ 2014-15
General Fund	\$128.5	\$9.4	\$12.6	\$138.0	\$141.1
Conservation Fund	239.8	(3.2)	(5.1)	236.6	234.8
Environmental Fund	67.3	(0.7)	0.1	66.6	67.4
Clean Water Fund	2.4	(0.1)	(0.1)	2.2	2.2
Petroleum & Env. Cleanup	5.9	6.0	5.0	11.8	10.9
Dry Cleaner Repair	1	1.0	-	2	1
Program Revenue	24.1	(1.7)	(1.7)	22.4	22.4
Program Revenue-Service	11.2	0.1	0.1	11.4	11.3
Tribal Gaming Agreements	1.6	-	-	1.6	1.6
Federal	79.8	3.5	2.8	83.9	82.6
Department Totals	\$561.7	\$14.2	\$13.6	\$576.6	\$575.3

2013-15 Biennial Budget FTE Impacts

Funding Source	2012-13 Base FTE	Change FTE 2014-15	Final FTE 2014-15
General Fund	291.10	(6.10)	285.00
Conservation Fund	1,451.66	(0.50)	1,451.16
Environmental Fund	116.10	4.00	120.10
Clean Water Fund	17.00	-	17.00
Petroleum & Env. Cleanup	26.25	17.80	44.05
Dry Cleaner Repair	3.00	-	3.00
Program Revenue	205.64	(8.00)	196.64
Program Revenue-Service	42.50	(2.00)	41.50
Tribal Gaming Agreements	12.00	-	12.00
Federal	493.69	(7.50)	498.69
Long Term Position Vacancy Reductions-- Yet to be determined	-	(32.10)	(32.10)
Department Totals	2,658.94	(34.40)	2,637.04

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

- FY 13 Adjusted Base \$561.7 million
- FY 14 \$576.6 million
- FY 15 \$575.3 million
- (2.5% Biennial increase over the Adjusted Base)

		2013-14	2014-15
I. <u>Deer Management</u>			
1. Funding to implement recommendations of the Deer Management Report.		\$1,300,500	\$641,500
II. <u>Outdoor Recreation</u>			
2. Walleye Initiative —Provides additional GPR funding to boost production of walleyes as outlined in the table below.		\$2,036,000	\$2,980,300
3. Also includes a fish hatchery capacity expansion project funded with \$8.2 million in existing conservation fund SEG-supported general obligation bonds in the 2013-15 capital development budget for increased walleye production at various state fish hatcheries.			
Hatchery Operations	GPR	\$626,000	\$1,230,000
Hatchery Expansions—Debt Service	SEG		45,000
Population Maintenance and Enhancement Grants	GPR	1,000,000	1,000,000
Contracts to Purchase Fish	GPR		500,000
UW Extension Private Fish Farms	GPR	160,000	
Fish Farm Regulations Study			
Tribal Youth Program	GPR	250,000	250,000
Total	GPR	\$2,036,000	\$2,980,300
	SEG		\$45,000

4. Hatchery Infrastructure —Reallocates \$14 million of stewardship bonding authority over 2 years (2014-2016) to invest in the modernization of the Kettle Moraine Springs Fish Hatchery.		
5. Additional funding for fish hatchery operations on an ongoing basis.	\$85,000	\$135,200
6. Land Sales —Requires the Natural Resources Board to offer for sale at least 10,000 acres of DNR property located outside project boundaries established as of May 1, 2013, on or before June 30, 2017.		
7. Wolf Licenses/ Nighttime Hunting —Reduces wolf hunting license fee and eliminates night hunting of wolves.		
8. Bonus Deer Hunting Permit in CWD Zones —Establishes a permit fee of \$5.75 and gives the Department authority to increase it through the rules process. Fee revenues are to be used for CWD management and testing.		
9. Hunter Education —Establishes a \$50,000 pilot program designed for youth hunting recruitment.	\$50,000	\$50,000
10. Sporting Heritage Grants —Provides \$500,000 in 2013-15 and \$450,000 in each subsequent biennium to a non-profit organization established in Wisconsin for outdoor education, recruitment, and retention of sportsmen and sportswomen.	\$200,000	\$300,000
11. McKenzie Environmental Educational Center Operations —Directs the Department to fund \$239,000 SEG for the continuation of school-based environmental education services through August 15, 2014.	\$239,000	
12. Parks Staffing —Increases limited term employee hours at multiple state parks and southern forest properties.	\$150,000	\$150,000
13. Elk Reintroduction —Allows for elk reintroduction in Ashland, Bayfield, Jackson (new) and Sawyer Counties.		

14. Snowmobile Trails Funding — Modifies gas tax transfer formula to provide additional trail aids funding.	\$469,700	\$491,300
III. <u>Environmental Protection</u>		
15. Sand Mine Monitoring —Adds 2 FTEs for sand mine permitting and compliance.	\$223,400	\$223,400
16. Funding for Air Quality Programs —Increases fees for Title V and Non-Title V air emitters to balance accounts and meet EPA funding requirements.	\$2,028,400	\$2,028,400
17. Ballast Water Program —Extends the sunset on ballast water fees to December 31, 2015		
18. Dry Cleaner Funding —Provides additional spending authority to address contamination at dry cleaner sites.	\$950,000	
19. Remote Water Quality Sensing —Adds a project position to develop a remote water quality sensing program utilizing satellite technology.	\$85,000	\$85,000
20. Vapor Recovery Equipment Removal Grant Program —Creates program to reimburse gas stations for the costs of removing Stage II vapor recovery equipment.	\$1,000,000	
IV. <u>Business Growth & Job Development</u>		
21. Small Business Assistance Program —Adds 2 small business environmental assistants to help small businesses navigate permit processes.	\$100,800	\$134,400
22. IT Development Funding for Permit Streamlining and Data Integration --Efficiencies will be realized by creating infrastructure for data integration to advance department streamlining & permitting efforts.	\$200,000	\$200,000
V. <u>Streamlining & Efficiencies</u>		
23. Construction Erosion Control Program —Authority on erosion control transferred from DSPS to DNR		

– an issue EPA asked to be addressed in their list of 75 issues.		
24. PECFA Transfer -- Sole oversight over PECFA returned to the DNR along with 23.3 FTE. DSPS previously had oversight for minor and moderate projects	\$11,282,600	\$7,184,700
VI. <u>Operations Increases</u>		
25. Increases funding for Forestry emergency vehicle fleet operations.	\$120,000	\$120,000
26. Continues lease programs for warden lap-tops, forestry radios, and park ranger lap-tops and radios	\$529,200	\$529,200
VII. <u>Bonding</u>		
27. Provides \$21 million in additional bonding for dam repair and removal, Great Lakes contaminated sediment removal, and abatement of nonpoint source pollution.		

Program	2011-13 Authorization	2013-15 Gov's Budget
Dam Repair & Removal	4,000,000	4,000,000
TRM	7,000,000	7,000,000
Urban NP & Flood Control	6,000,000	5,000,000
Contaminated Sediment Removal	5,000,000	5,000,000
Total	\$22,000,000	\$21,000,000