



Legislative Fiscal Bureau

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April 27, 2001

TO: Representative John Gard
Room 315 North, State Capitol

FROM: Rebecca Hotynski, Fiscal Analyst

SUBJECT: Proposed Division of DNR into Separate Conservation and Environmental Agencies

In response to your request, this memorandum summarizes a proposal to split the Department of Natural Resources (DNR) into two separate agencies on July 1, 2002, and details the division of funding and staff between the two new agencies for fiscal year 2002-03. The conservation agency would be responsible for state parks, forests and trails, fish and wildlife programs, and outdoor recreation (including recreational boat, snowmobile and ATV programs and enforcement activities). The environmental agency would have authority for environmental protection, pollution control and environmental regulatory functions (such as navigable waters, dams, wetlands, shoreland zoning, wharves, piers, boathouses, ski ramps, fishing rafts, and fill, construction and dredging permits).

Currently, DNR is organized into seven divisions: (1) land, (2) forestry, (3) air and waste, (4) enforcement and science, (5) water, (6) administration and technology and (7) customer assistance and external relations (CAER). In addition, there are three other budgetary programs in the agency that are administered within those seven divisions for payment of conservation aids, environmental aids and debt service. The organizational structure of the Wisconsin DNR is similar to that of the Iowa Department of Natural Resources in that responsibilities for conservation and environmental policy are generally vested in the same agency. The other three states that border on Wisconsin, however, place general responsibility for conservation policy in a Department of Natural Resources and for environmental policy in a separate agency (Illinois Environmental Protection Agency, Michigan Department of Environmental Quality, Minnesota Pollution Control Agency). Michigan recently had a structure similar to Wisconsin's, but the Department of Environmental Quality was split from the Department of Natural Resources in October, 1995.

Conservation Agency. The core of the new Department of Fish, Wildlife, Parks and Forestry (DFWP&F) would consist of the current DNR Division of Land (which includes the Bureaus of Wildlife Management, Parks and Recreation, Endangered Resources and Facilities and Lands), the Division of Forestry, the part of the Bureau of Fisheries Management and Habitat Protection

relating to fisheries and the Mississippi/Lower St. Croix subprogram in the Division of Water. Also included would be fish, wildlife and recreational vehicle enforcement. In addition, the conservation aids distributed by DNR (such as snowmobile and all-terrain vehicle trail aids, recreational boating project aids, aids in lieu of taxes and wildlife damage aids) and natural resource-related debt service (such as that paid for the stewardship program) and resource acquisition and development funding would also be placed in DFWP&F. Further, current DNR responsibilities relating to the Lower Wisconsin State Riverway (subchapter IV of chapter 30) would be assigned to the conservation agency.

All current DNR funding from nine of the ten conservation fund accounts would be provided to DFWP&F. Recreational boating project aids, boat access and aquatic and terrestrial inventory funding from the water resources account (motorboat gas tax revenues) would also be placed in the conservation agency.

The proposal to divide DNR into two agencies would also include the provisions of 1999 AB 490 relating to the Joint Legislative Council's Special Committee on Conservation Laws Enforcement recommendations for chief warden authority (as modified to create an unclassified chief warden position). The Secretary of the conservation agency would designate a chief warden and may designate one or more deputy chief wardens. The chief warden would have the duty to direct, supervise and control conservation wardens in the performance of their duties. The chief warden would designate an internal affairs officer to investigate complaints against conservation wardens when the chief warden determines an investigation is necessary and would designate a complaint officer to resolve complaints against conservation wardens.

The conservation agency would have three divisions. The Division of State Parks and Trails would be responsible for maintenance and operations of approximately 44 state parks, 14 state trails and certain recreational areas. This Division would also have primary responsibility for seven state forests generally referred to as the "southern forests" (Point Beach, Havenwoods and five units of the Kettle Moraine State Forest). In addition the state owns a number of state parks and trails that are operated and maintained by local governments. The Division of Forestry would be responsible for the operation of six major state forests and several smaller forest properties; three tree nurseries; local governmental and private forestry assistance; forest health and fire management; and grants, loans and payments to certain towns, counties and private forest owners. The Division of Fish, Wildlife and Recreation would be responsible for state fishing, hunting and recreational lands and programs (including the stewardship program); wildlife damage; invasive species; habitat management; endangered resources; recreational and conservation law enforcement; and recreational vehicle programs.

Environmental Agency. The core of the Department of Environmental Management (DEM) would be formed by the current Division of Air and Waste (which includes the DNR Bureaus of Air Management, Waste Management, and Remediation and Redevelopment), as well as the Bureaus of Watershed Management and Drinking Water and Groundwater. It would also include the part of the Bureau of Fisheries Management and Habitat Protection that relates to dam, lake,

river and wetlands regulation under the Division of Water, and the Bureau of Cooperative Environmental Assistance (which provides a contact point for businesses on pollution prevention, waste minimization and small business assistance) in the CAER Division. In addition, the environmental aids administered by DNR (such as grants for nonpoint source water pollution abatement, lake and river protection, drycleaner environmental response reimbursement, recycling, well compensation, clean water fund, safe drinking water, land recycling and brownfields) and all environmental and water quality-related debt service would be placed in the environmental agency (such as nonpoint source, environmental remediation, wastewater treatment programs that preceded the clean water fund and former drinking water programs).

Segregated funding from the environmental, recycling, petroleum inspection, drycleaner environmental response and environmental improvement funds would be transferred to DEM. In addition, funding from the water resources account of the conservation fund related to dam safety, water regulation, and lake and river grants and associated administration would be transferred. Program revenue and general purpose revenue funding that is identifiable as being for an environmental purpose, such as fees for air management, solid and hazardous waste, storm water management and wastewater discharge would be transferred to the environmental agency. Federal grants related to environmental purposes would also be transferred to DEM, including those for air management, hazardous waste administration, Superfund, wastewater and drinking water.

The DEM Division of Air and Waste would include programs such as air management, solid and hazardous waste management, landfill licensing, recycling, mining, contaminated site cleanup, brownfields, hazardous substances spills response, federal Superfund and federal Resources Conservation and Recovery Act corrective action. The Division of Water would include programs related to nonpoint source and runoff management; surface and groundwater quality standards; wastewater facility and discharge permits; public sewer system plan review; water quality modeling; dam safety; water regulation and zoning; wetland, floodplain and shoreland management; watershed planning; and public and private drinking water system plan review.

Agency Structure. Currently, the Governor with the advice and consent of the Senate appoints the DNR Secretary. Prior to 1995 Act 27, the DNR Secretary was appointed by the Natural Resources Board and served at the Board's pleasure. A Secretary appointed by the Governor with Senate confirmation would head the conservation agency. The Secretary would appoint three unclassified Division administrators and an unclassified chief warden (in addition to a Deputy Secretary and an executive assistant). The Governor would appoint a seven-member Environmental Management Board with Senate confirmation for staggered six-year terms. A Board member could not be the holder of a permit issued by the environmental agency (similar to the current DNR Board). The Board would appoint the Secretary, subject to the Governor's approval, to administer the environmental agency. The Secretary would appoint an unclassified Deputy Secretary, executive assistant and two unclassified Division administrators.

Split Functions. The Divisions of Enforcement and Science, Administration and Technology and Customer Assistance and External Relations all contain functions that would be necessary for both an environmental and a conservation agency. All of the funding appropriated and positions

authorized for these purposes from the conservation fund would be assigned to the conservation agency (except that a portion of water resources account funding relating to lake and river management, dam safety and wetland mapping, and associated administrative expenses would be provided to the environmental agency), while segregated funding for environmental purposes (including the environmental, recycling, petroleum inspection and drycleaner environmental response funds) would be assigned to the environmental agency. To the extent that federal, program revenue and general purpose revenue funding are identifiable as being for either an environmental purpose (such as program revenue funding from air management fees) or a conservation purpose (federal funding providing for boating law enforcement), the funding and positions would be assigned to the respective agencies.

With respect to the current DNR Division of Enforcement and Science, the funding and positions in the GPR and PR general program operations appropriations would be divided between the proposed agencies based on the proportion of positions in the GPR or PR general program operations appropriation more closely identifiable with a conservation purpose (such as a conservation warden or a natural resources research scientist) or with an environmental purpose (such as an environmental enforcement specialist or environmental analysis and review specialist). Functions in the Division of Enforcement and Science that would be transferred to the environmental agency include (a) environmental enforcement, (b) laboratory certification, (c) certification of operators of wastewater treatment systems, water supply systems, incinerators, sanitary landfills and septage servicing operators, and (d) collection of environmental fees.

Federal funding in the Division of Administration and Technology and the Division of Customer Service and External Relations would be primarily divided between the proposed agencies based on past expenditure patterns (under current law an agency may seek DOA approval to adjust staffing levels and spend the amounts actually received by that agency from federal grants). GPR general program operations funding and positions in these two divisions would be divided based either on the proportion of GPR staff in each of the proposed agencies or on past expenditure patterns where available. PR general program operations funding and positions that were not readily identifiable with a single agency would be divided based on the proportion of all funding in each of the proposed agencies.

Agency Budgets. This proposal for dividing DNR would have no direct fiscal effect in 2002-03, as current appropriations and positions are allocated to one agency or another. The proposal also assumes that any move-related costs that may arise as a result of splitting DNR into two agencies would be absorbed in the agencies' base budgets. The resulting split between the conservation and environmental agencies is shown in the attachment. The attachment demonstrates how the 2002-03 funding under the Governor's biennial budget recommendations (SB55) for DNR (\$469.5 million) would be allocated between the two agencies on July 1, 2002 (fiscal year 2002-03). The operational budget of the conservation agency (excluding aids and debt service appropriations) would be over \$178 million and 1,866 positions (63% of operations staff and funding of the current DNR), while the operational budget of the environmental agency would be almost \$103 million and 1,093 positions (37%). When aids and debt service appropriations are included, the total budget of

the conservation agency would be \$255.2 million (54% of the current DNR), while the total budget of the environmental agency would be \$214.3 million (46%).

Agency Disputes. On July 1, 2002, the staff, assets, liabilities and obligations primarily associated with each agency would vest in that agency. If the agencies were unable to agree on an equitable division, the Joint Committee on Finance would settle the dispute at a meeting of the Committee under s. 13.10. The DNR employees who would be transferred to one of the new agencies would maintain all their civil service and other employee rights held prior to transfer. In addition, some minor transfers in appropriations may be necessary as the agencies determine the actual division of staff, facilities and duties. Such transfers, if necessary, could be accomplished either by the Joint Committee on Finance under s. 13.10, separate legislation or in the 2003-05 biennial budget.

I hope this information is helpful. Please contact me if you have questions or would like additional information.

RH/sas
Attachment

ATTACHMENT

2002-03 Agency Funding

Department of Fish, Wildlife, Parks & Forestry	<u>Conservation Agency</u>		<u>Environmental Agency</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
<u>Division of State Parks and Trails</u>				
State Parks and Trails	\$15,033,800	165.50		
Southern Forests	4,372,900	46.75		
Administration and Technology	2,490,400	19.54		
Customer Service and Education	625,200	7.93		
 <u>Division of Forestry</u>				
Forestry	34,640,300	412.44		
Administration and Technology	8,952,100	84.24		
Customer Service and Education	3,210,600	36.98		
 <u>Division of Fish, Wildlife, and Recreation</u>				
Facilities and Lands Management	14,577,500	144.70		
Fisheries Management	17,794,500	233.43		
Wildlife Management	15,117,100	147.50		
Endangered Resources	2,436,400	21.50		
Law Enforcement & Integrated Science Services	30,127,000	271.67		
Administration and Technology	14,893,000	129.81		
Customer Service and Licensing	13,951,200	144.13		
 <u>Conservation Aids & Development</u>				
Debt Service and Development	44,612,700			
Conservation Aids	32,366,600			
 Department of Environmental Management				
<u>Division of Air and Waste</u>				
Air Management			\$15,931,300	175.50
Waste Management			7,060,700	100.61
Remediation and Redevelopment			12,265,100	105.00
Air and Waste Program Management			815,900	7.00
Law Enforcement and Integrated Science Services			3,038,500	35.41
Administration and Technology			8,026,900	42.19
Customer Service and External Relations			2,435,700	30.64
 <u>Division of Water</u>				
Watershed Management and Regulation			30,121,100	366.37
Drinking Water and Groundwater			9,794,600	105.75
Law Enforcement and Integrated Science Services			2,786,200	32.41
Administration and Technology			7,650,800	53.28
Customer Service and External relations			3,068,100	38.74
 <u>Environmental Aids & Development</u>				
Debt Service and Development			85,882,600	
Environmental Aids			25,445,700	
 TOTAL	 \$255,201,300	 1,866.12	 \$214,323,200	 1,092.90
 Total by Fund Source:				
GPR	51,694,900	149.00	121,643,500	377.28
FED	20,816,000	140.14	24,178,100	308.82
PR	10,342,400	36.12	23,080,000	237.52
SEG	172,348,000	1,540.86	45,421,600	169.28
Total--All Funds	<u>\$255,201,300</u>	<u>1,866.12</u>	<u>\$214,323,200</u>	<u>1,092.90</u>