

[This memo is from the DNR's Frank Fennesy and discusses the pro's and con's of splitting the DNR into two agencies.]

Darrell has spoken with a number of employee groups (Parks statewide, bureau directors, etc.) about a potential split. Following is what has been officially said about the split:

2/13/01 Sec. Bazzell message to all staff: "I have also spoken with him [Gov. McCallum] about proposed legislation to split DNR – legislation that concerns me greatly. He assures me he does not support it. It just does not make sense to retreat from integrated management. The decisions we make on the land, on water quality and the state's air have a direct impact on our game, fish, forests and outdoor recreation. Putting the professionals who do that work in separate spheres will not benefit the resources. And the price tag – estimated at \$4 million or more – to replicate our infrastructure is an unnecessary burden to taxpayers. I will be vocal in my opposition to this legislation.

4/20/01 Sec. Bazzell's update to staff on DNR's budget: "The concept of splitting the agency will be a significant issue during the budget process. This is not a good legislative initiative. A split would deprive us of the tools to fix interrelated environmental and natural resources problems. It was gratifying to see just how tuned into the value of an integrated agency and whole ecosystem management the citizen basin partners were at their conference in Stevens Point recently. And I just saw again this week how powerful our combined structure is: a group of managers met to organize how DNR would respond if hoof and mouth disease occurred in Wisconsin. Around the table were wildlife, land, forestry, communication, enforcement, air, parks, solid waste and water professionals. As a group they discussed how the disease might spread and affect the land, waters and wildlife of the state, how disposal of infected animals would affect our environment, and how we would coordinate with other agencies and communicate with client groups on how to help us prevent disease spread.

"If the agency were split, the cost to replicate our infrastructure would come at the expense of field staff positions and dollars now spent directly on programs. I cannot stress that enough. Michigan is a laboratory example of how this well-intended split idea hurt natural resources and environmental programs alike. Make sure the groups you work with understand this."

4/18/01 Sec. Bazzell's speech to Sierra Club: "For starters, we must preserve DNR as one integrated, comprehensive agency. It is the best, most cost-effective way to assure clean air, clean water, healthy landscapes, and quality outdoor recreation.

Michigan offers a modern cautionary tale.

- Split agency 5 years ago
- No new funding allocated
- Separation increased overhead costs \$4 million additional dollars
- Michigan reallocated staff and \$ away from front line programs that directly benefit citizens and the natural resources.

Splitting our department risks the natural resources leadership and performance that Wisconsin citizens have come to expect -- and demand -- from DNR."

4/7/01 Sec. Bazzell's Izaak Walton League and Wisconsin Wildlife Federation speech: "I'm often asked, How do we – the Department of Natural Resources and citizens together – sustain our collective home?"

"In the immediate future, we must preserve DNR as one integrated, comprehensive agency. We must pass legislation to return protection to isolated wetlands. We must take important steps to reduce mercury levels in fish. And we must push through rules that seek to reduce the polluted runoff that harms our lakes and streams.

"All of us in Wisconsin owe hunters and anglers our thanks. Through the licenses and equipment they buy, hunters and anglers help pay for programs that benefit themselves and by default, the rest of us. Their tireless and vocal advocacy on behalf of Wisconsin natural resources benefits us all.

"But those facts underscore the need for more broad-based funding to carry the conservation load, not to split the department. DNR has done a good job in maximizing the return on hunters and anglers investment. I encourage you to see for yourself by picking up a copy of the brochure I've brought today that details how DNR spent fish and wildlife account funds in the last fiscal year.

"But the sum we get from those sources is far less than what these tremendous natural assets need. A special report issued by the Ikes a few years ago found that wildlife associated recreation in Wisconsin annually generated \$208 million in sales and income tax revenue. The state returned less than 1 percent of that total to DNR to invest in fish and wildlife management activities.

"Despite this lack of investment, Wisconsinites enjoy good hunting and fishing because we DNR, the Ikes, and other partners have worked hard to provide clean lakes and rivers, clean air, and healthy landscapes. Having one integrated natural resources agency is the best, most cost-effective way to assure quality outdoor recreation.

"Probably no group understands this better than the Izaak Walton League of America. Ikes in Wisconsin well remember when a handful of different agencies had responsibilities for Wisconsin waters before the reorganization that created DNR in the late 1960s. The Ikes and DNR's predecessor, the Conservation Department, were continually having to hold those departments' feet to the fire over inadequate water pollution standards or their actions to fill in wetlands or allow dams on streams with high quality fisheries.

"Michigan offers a modern cautionary tale of how splitting an integrated natural resources agency reduces natural resources protection, increases overhead costs, and reduces service to the public. Five years ago the governor used an executive order to split the agency in two without legislative approval. No new funding was allocated. The separation increased overhead costs by \$4 million additional dollars. Michigan met this additional cost by reallocating staff and dollars away from front line programs that directly benefit citizens and the natural resources.

"Wisconsin's Department of Natural Resources is generally accepted as one of the nation's top two or three natural resource agencies. We were the first to achieve fishable, swimmable waters under Clean Water Act goals. We were the first to ban the sale of DDT and to pass laws to reduce acid rain. We **are** the nation's leader in restoring river fisheries by removing unsafe, obsolete dams. And we **will** be the first to reduce emissions that contribute to high mercury levels in Wisconsin fish.

"Splitting the department risks this leadership. It means more overhead for taxpayers, less protection, and less service. Wisconsin's natural resources and its taxpayers will be the losers.

Wisconsin will become the first state to require mercury reductions because DNR regulates air pollution **and** manages fisheries. We will propose emission rules at the Natural Resources Board meeting in May. The rules will be part of our broad state efforts to get mercury out of our environment.”

Speaking points:

1. **Decisions we make on the land, on water quality and the state’s air have a direct impact on our game, fish, forests and outdoor recreation. An integrated agency address not just symptoms but root problems of natural resources degradation.**

- a. A split would deprive us of the tools and associations to fix interrelated environmental and natural resources problems.
- b. A handful of different agencies had responsibilities for Wisconsin waters before the reorganization that created DNR in the late 1960s. Citizen groups and DNR’s predecessor, the Conservation Department, were continually having to hold those departments’ feet to the fire over inadequate water pollution standards or their actions to fill in wetlands or to allow dams on streams with high quality fisheries.
- c. Wisconsin’s Department of Natural Resources is generally accepted as one of the nation’s top two or three natural resource agencies. We were the first to achieve fishable, swimmable waters under Clean Water Act goals. We were the first to ban the sale of DDT and to pass laws to reduce acid rain. We **are** the nation’s leader in restoring river fisheries by removing unsafe, obsolete dams. And we **will** be the first to reduce emissions that contribute to high mercury levels in Wisconsin fish.
- d. Wisconsin will become the first state to require mercury reductions because DNR regulates air pollution **and** manages fisheries and our structure allows us to see the urgency of action. We will propose emission rules at the Natural Resources Board meeting in May. The rules will be part of our broad state efforts to get mercury out of our environment. Splitting the department risks this leadership.
- e. Partial list of issues that benefit from integrated agency:
 - Perrier – This application involves a regulatory program, with a straightforward permit request. As a separate agency, the permit would probably have been granted without discussion. But our present structure allowed and compelled us to look beyond the law to surface water impact. DNR staff in related programs looked at stream flow, loss of wetlands and fisheries and wildlife.
 - Crandon Mine Permits – Virtually every conservation and environmental program in DNR is involved in a coordinated, comprehensive review of this project.
 - Non-point pollution – We are going through the process of establishing performance standards for agricultural, transportation, commercial and municipal run-off. This is a water quality program but the major impact is on fisheries and wildlife. Wisconsin has had the leading non-point pollution program in the country for more than 20 years. The major reason is that we are an integrated agency and understand the priority of dealing with the problem. The same is true of mercury.
 - Forestry and water quality – Last year EPA proposed new water quality regulations that would have unreasonably affected forest management in Wisconsin. An integrated DNR working with industry had developed, implemented and evaluated Best Management Practices for forestry. DNR met with EPA Administrator Browner and shared Wisconsin’s experience. EPA eventually withdrew the rules stating it was

Wisconsin's experience managing both forestry and water quality and our regulatory credibility that convinced EPA the rules were too broad.

- The Pulp and Paper industry is involved in both environmental and forestry issues. They appreciate the benefits of dealing with one agency and the highly intertwined and complex relationships between the environment and forestry in their industry. The pulp and paper industry was one of the primary movers in creating DNR and remains supportive today. Forestry is Wisconsin's second largest industry.
- *Local examples and program examples should be developed.*

2. A split will be costly at a time when the state is facing hundreds of millions of dollars in shortfalls:

- a. Costs to replicate our infrastructure would come at the expense of field staff positions and dollars now spent directly on programs; there is no new money available. This is more overhead for taxpayers, less protection, and less service. Wisconsin's natural resources and its taxpayers will be the losers.
- b. *Michigan*: Michigan offers a modern cautionary tale of how splitting an integrated natural resources agency reduces natural resources protection, increases overhead costs, and reduces service to the public. Five years ago the governor used an executive order to split the agency in two without legislative approval. No new funding was allocated. The separation increased overhead costs by \$4 million additional dollars. Michigan met this additional cost by reallocating staff and dollars away from front line programs that directly benefit citizens and the natural resources.

3. Some sportsmen are concerned that hunting and fishing license dollars are being used for non-hunting and fishing programs. They believe a split in the agency will protect their license dollars and therefore the future of their programs. In reality, a split will put their high quality hunting and fishing programs at risk.

- a. All of us in Wisconsin owe hunters and anglers our thanks. Through the licenses and equipment they buy, hunters and anglers help pay for programs that benefit themselves and by default, the rest of us. Their tireless and vocal advocacy on behalf of Wisconsin natural resources benefits us all.
- b. But those facts underscore the need for more broad-based funding to carry the conservation load, not to split the department. DNR has done a good job in maximizing the return on hunters and anglers investment. Refer to the details in a brochure called How Your Fishing and Hunting Dollars are Spent.
- c. The money DNR gets from hunting and fishing license sales is far less than what these tremendous natural assets need. A special report issued by the Izaak Walton League a few years ago found that wildlife associated recreation in Wisconsin annually generated \$208 million in sales and income tax revenue. The state returned less than 1 percent of that total to DNR to invest in fish and wildlife management activities. Hunting and fishing activities do not receive an equitable share of tax dollars now, and are unlikely to in a new department. Dependence on only hunting and fishing license revenues – minus the resources and diffuse funding sources of an integrated agency -- when participation in these sports is not growing and costs are escalating, can only mean the gradual strangling of hunting and fishing programs.
- d. Despite this lack of investment in state tax dollars, Wisconsinites enjoy premier hunting (Wisconsin's 2000 deer hunt was the all time record whitetail hunt in history) and fishing because DNR and our conservation partners have invested wisely and worked hard to provide clean lakes and rivers, clean air, and healthy landscapes. Having one integrated natural resources agency is the best, most cost-effective way to assure quality outdoor recreation.

- e. In truth, money redirected from the forestry, hunting and fishing and the parks activities for which it was intended was directed by the legislature and Joint Finance Committee. For example, the legislative Joint Finance Committee has redirected \$39 million for Forestry SEG money for non-forestry purposes and \$2.3 million of Parks money for non-Parks purposes. DNR management has tried very hard to remain true to the intended uses of its revenues.

4. This is not a new legislative idea, and it is a step backward in Wisconsin's progressive government.

- a. The Kellet Commission reorganization that created DNR from smaller agencies was hailed at the time as visionary.
- b. Wisconsin's structure is praised and mimicked across the nation. As many as 45 states have merged some conservation and environmental programs – 10 have done it to the extent of Wisconsin –to achieve efficiency and structural integration for working in concert with people, resources and industry for natural resources health.
- c. Hearings two years ago related to a similar DNR split initiative yielded virtually no one testifying in favor, but many, many speaking against.
- d. Most DNR staff, those who see the impacts of an integrated agency every day, feel such a split would handicap their efforts on behalf of the natural resources.
- e. Editorials in the every corner of the state in daily newspapers have overwhelmingly opposed a split of the agency.
- f. State organizations oppose it as well. In April of this year, the Wisconsin Wildlife Federation unanimously voted to take a stand IN SUPPORT of a united Department of Natural Resources, stating “A division of this agency would cripple the state's efforts to properly manage its natural resources that the state holds in trust for all citizens of Wisconsin.”
- g. DNR has to its credit an impressive list of firsts and best-of's in the nation. The current structure is successful.
 - First state to acquire and manage natural areas to preserve rare plant and animal communities.
 - First state to ban the pesticide DDT (1970)
 - First state to meet swimmable and fishable waters (1983)
 - First acid rain control law in the nation (1986)
 - Among first in groundwater protection laws (1984)
 - Second largest bald eagle population in the lower 48 states
 - Largest concentration of lake sturgeon in the world
 - First wild and scenic river in the nation (St. Croix/Namekagon 1968)
 - One of the nation's strong recycling programs – 97%+ participation
 - An exemplary record of acquiring state recreational land
 - Consistently ranked nation-wide as among the finest places to hunt and fish