



March 30, 2017

Secretary Cathy Stepp, Wisconsin Department of Natural Resources
2017-19 Biennial Budget Agency Briefing Testimony for the Wisconsin Joint Committee on Finance

Thank you Co-chair Darling, Co-chair Nygren, and committee members for holding this hearing and providing the Department of Natural Resources (DNR) the opportunity to provide you with information regarding Governor Walker's 2017-19 biennial budget.

We at the DNR stand ready to work together with you and the governor to efficiently and effectively serve the people of Wisconsin by continuing to pursue our mission of, "protecting and enhancing our natural resources and providing a healthy and sustainable environment." We can do that while encouraging and supporting the growth of the state's economy and working with the business community in assisting them in meeting the standards the legislature set to keep Wisconsin's natural resources the prized possessions that they are.

As proposed by the governor, the DNR's two-year budget is \$547.6 million for 2017-18 and \$549 million for the second year. In total that's a 2.5% decrease from the 2016-17 base budget most of which are standard budget adjustments, not cuts to programs or services.

The proposed two-year budget calls for a decrease in 43.5 Full Time Employees (FTE). However, 32.5 of those positions would be transferred as part of a statewide enterprise effort to streamline and consolidate human resource, finance and technology management activities. 8.0 other FTE positions are predominately (7 of 8) federally funded project positions that will come to the end of their maximum 4 year life during the biennium. The remaining 3.0 positions are vacant (2.0 Magazine, 1.0 reduced vehicle emission testing). None of these changes will have a direct impact on carrying out our core mission.

Alignment

For more than a year, the focus of our budget preparations have centered on our alignment process. We at the DNR recently conducted nearly a year and a half internal study of the work we do. We prioritized work that supports our core mission of protecting and enhancing our state's natural resources for all. We are in the process of implementing a department-wide plan that will align both our financial and human resources with the core work necessary to carry out our mission more effectively and efficiently. This was not just a department leadership effort. It involved staff at all levels taking a close look at what we do, how we do it, and why.

We realized we cannot and should not come to legislators and taxpayers just to ask for more funding or staffing to solve problems. DNR needed a solid and workable business plan in place to utilize the resources we already have available to do necessary work and be able to show a true need if or when it should arise. Once fully implemented, we believe this alignment effort will be that business plan and we will be able to show that we can carry out our responsibilities to the environment and the people of this state.

There are many examples that can be cited of how this alignment plan will provide services in an efficient and effective manner. One such example that relates directly to the budget proposal is the flexibility to reallocate positions to our water quality permitting section that will meet our needs in the Concentrated Animal Feeding Operations (CAFO) program. As we pointed out during a recent Joint Committee on Audit hearing, this will help

reduce the permit-to-staff ratio so staff can spend more time in the field monitoring, inspecting and ultimately protecting the quality of our water.

DNR's alignment plan also took a look at park and recreational services in an attempt to increase efficiencies. One element of the plan took a look at how we deliver public safety services at all of our recreational properties, while ensuring a meaningful recreational experience for our visitors. This will be accomplished by consolidating our credentialed law enforcement officers into one unit housed in the DNR's Law Enforcement program which will allow Park and Forest Rangers to do their core work of maintaining the properties and making sure visitors enjoy their time there through enhanced customer service.

Forestry Mill Tax

The governor's budget provides GPR funding to offset current revenues received from the statewide forestry mill property tax to finance forestry programs. Not only does this proposal provide Wisconsin citizens property tax relief, but it is structured in a way that ensures that the GPR funding provided will continue to be equal to mill tax collections into the future, providing a stable funding source for forestry programs, once again reaffirming the governor's commitment to forestry in the State of Wisconsin.

Magazine

Another result of that core work analysis that's reflected in the budget proposal, has to do with the Natural Resources Magazine.

While the magazine has a loyal following and is supported by subscriptions, it became clear as our staff continued to examine what they did and why, through a department-wide core work analysis, that we at the Wisconsin DNR are stewards of our resources and not magazine publishers.

It takes a good deal of behind-the-scenes work to publish and distribute the six Natural Resources magazine every year. In order to obtain the full complement of stories, we have to rely on staff to take time away from their own core work to research and write those stories. Half of the 228 stories published over the past two years were written by staff members. These hours and funding are not covered by subscriptions, so the notion that this is a totally self-sustaining publication doesn't really paint a complete picture.

We feel our public information time and effort can be more effectively utilized by focusing on communication tools that are more immediate in this digital age and have the potential of spreading the word of DNR's mission and work to a larger audience.

Even one of the state's largest newspapers recently announced it was cutting back on elements of its print coverage because technology is changing the way people consume news and information-through smartphones, tablets and the internet.

Our social media and digital distribution reach is far greater than our print magazine subscriptions. 36,663 people elected to subscribe to the magazine on their own. That's zero-point-6 percent (0.6%) of the state's estimated 5.7 million people.

However, when you consider the various ways we can reach a much larger audience through digital communications, that's up to 34% of the population. Cases in point: As of 2016 we had 82,160 Facebook followers, up 17%. We had 17,665 Twitter followers, also up 17%. There were 913,717 views of our YouTube channel, up 19.4%; and we have now reached 903,000 subscribers who electronically receive public information on numerous DNR topics through GovDelivery. We gained more than 1,000 GovDelivery subscribers in one month alone this year (Jan 30-Feb 28).

We still have plenty of room to grow that audience and expand our digital reach by focusing our efforts in that area.

Parks

Wisconsin's state parks, when compared to other state parks, have long been considered the jewel of the nation. I'd like to thank Sen. Marklein and other Joint Finance members for the fee increase included in the last biennial budget. Even with the increase in fees, a record 17.4 million people visited our parks in 2016. That's up from 16.5 million the previous year. In order to keep that stellar reputation, our parks need to be maintained and enhanced to provide the best possible visitor experience. As the legislature is aware, funding for state parks comes from the people who pay the fees to use them, not from income and sales taxes. While 2016 was an excellent year for attendance, that number can fluctuate from year to year for reasons beyond our control such as weather and gasoline prices. The governor's budget gives the DNR flexibility to adjust admission and camping fees at state parks and forests as discussed in the recent parks funding study submitted to the Wisconsin Legislature. This flexibility will help the state maintain and reinvest in our parks and address potential structural imbalances in the Parks Account. We've heard from the private campground owners that we should run like a business, and we are making tremendous strides to do just that.

The governor's budget proposal includes another potential revenue source by directing the department to work with the Wisconsin Department of Transportation (DOT) in studying a plan that would allow people to purchase a parks admission sticker through their annual motor vehicle registration, a State Parks recreational passport. This option was also included in the parks funding report that was submitted to the legislature in December of last year as required by 2015 Act 55. At the time, it was estimated that a \$15 annual admission sticker purchased through annual vehicle registrations could generate approximately \$14.1 million if Wisconsin were to realize the 24% participation rate of the approximately 5.1 million noncommercial automobiles and light trucks that Michigan has experienced with its voluntary passport program. Of course, updated projected revenue would be part of the proposed study.

Conclusion

In closing, I'm sure you will have more specific and detailed questions to follow, but I wanted to take this time give you an overview of some of the higher profile areas included in the DNR budget proposal. Whatever topics we pursue, it is my hope that the discussion will be based in the mutual understanding of what will be in best interest for the people of Wisconsin.

I began this testimony with reference to our department's mission of protecting and enhancing our natural resources. I'd like to conclude with another phrase from that mission statement. It is our mission to "ensure the right of all people to use and enjoy these resources in their work and leisure. To work with people to understand each other's views and to carry out the public will." With this budget, we can do that.