Wisconsin Legislative Council

Anne Sappenfield Director



TO: SENATOR JODI HABUSH SINYKIN

FROM: Ethan Lauer, Senior Staff Attorney, and Anna Henning, Principal Attorney

RE: Comparison of Three Legislative Proposals Relating to the Warren Knowles-Gaylord Nelson

Stewardship Program: LRB-3744/P4; 2025 Assembly Bill 315; and 2025 Senate Bill 45, the

Governor's Budget Bill

DATE: August 25, 2025

You requested a comparison of three legislative proposals relating to the Warren Knowles-Gaylord Nelson Stewardship Program: LRB-3744/P4 ("the bill draft"), 2025 Assembly Bill 315, and the version of 2025 Senate Bill 45 that was introduced by the Governor ("the Governor's budget"). As described below, all three measures reauthorize the stewardship program, but they do so for different lengths of time, at different funding levels, and with different policy changes to the program.

BACKGROUND

The stewardship program was initially created in the 1989-90 legislative session and has been modified and reauthorized several times over the years.² The program authorizes state borrowing for state land acquisition, grants to local governments and nonprofit conservation organizations, and other purposes relating to preserving wildlife habitat and expanding opportunities for outdoor recreation. It is currently funded through a combination of bonding supported by the state's general fund and by transfers of funding from certain segregated accounts.³

The statutes establish the amounts that the Department of Natural Resources (DNR) may obligate through the program in each fiscal year. With a limited exception relating to acquisition of county forest land, if DNR does not obligate an amount through the program in a given fiscal year, DNR generally may not carry over the bonding authority to the next fiscal year. [s. 23.0917 (5g), Stats.]

The stewardship program consists of five subprograms, only three of which are actively funded and utilized. The three active subprograms include: (1) the Land Acquisition Subprogram; (2) the Property Development and Local Assistance Subprogram; and (3) the Recreational Boating Aids Subprogram.

State law establishes the amounts that DNR may obligate in each fiscal year, through 2025-26, for expenditures under each of the subprograms. If DNR does not obligate an amount authorized to be

¹ Throughout the memorandum, citations that are bracketed individually, such as "[Sec. 13.] [Sec. 9.] [Sec. 436.]," refer to the relevant section in each legislative proposal in the order that the proposals are mentioned in the preceding text.

² Most recently, the program's sunset date was extended without major substantive programmatic changes in the 2019-21 and 2021-23 biennial budget acts.

³ For a more detailed description of the program, see <u>Legislative Fiscal Bureau</u>, <u>Warren Knowles-Gaylord Nelson Stewardship Program</u>, Informational Paper 67 (Jan. 2025).

obligated for a subprogram in a fiscal year, it may not adjust the annual bonding authority for that subprogram by raising the annual bonding authority for the next fiscal year.

Under current law, the stewardship program is set to sunset on June 30, 2026.4 [s. 23.0917 (12), Stats.]

Following the Wisconsin Supreme Court's decision in *Evers v. Marklein*, 2024 WI 31, two provisions of the statutes that had given the Joint Committee on Finance (JCF) oversight authority over stewardship obligations⁵ are unenforceable. In that decision, the Court held that the statutes that require JCF approval of appropriated stewardship program funds constitute an unconstitutional "legislative veto," which "invade[s] the executive branch's authority to 'take care that the laws be faithfully executed." [*Evers v. Marklein*, 2024 WI 31, ¶ 34 (quoting Wis. Const. art. V, s. 4.).] The Court interpreted Wisconsin's separation of powers doctrine as drawing a bright line between the Legislature's and the executive branch's roles with respect to appropriating and expending state funds. The Court characterized "determinations of how to appropriate the state's funds" as "fall[ing] squarely within" the Legislature's power. In contrast, the Court characterized "the power to decide how the funds should be used after the lawmaking process has been completed and the funds have been appropriated" as a "quintessentially executive function." [*Id.* ¶¶ 14 and 22.]

Following the decision, any legislation that requires an executive branch agency to obtain approval from JCF before allocating or expending funds that the Legislature has already appropriated for a program administered by the agency is likely unconstitutional. Other forms of JCF oversight may be upheld, depending on the situation.

COMPARISON OF PROPOSALS

All three proposals authorize the stewardship program to continue beyond its current sunset date. Each proposal makes changes to the overall program and to its three active subprograms, but they differ in their approaches to doing so. Also, as described below, certain provisions appear in only some of the proposals. For instance, the bill draft and Assembly Bill 315 each create a new but different process for property acquisitions over a certain dollar threshold, and the bill draft and **the Governor's budget** each create new programs related to recreational vehicles, wildlife and habitat management, and coordination with American Indian tribes and bands. **In addition, the bill draft and the Governor's** budget each specify a level of bonding authority and appropriate general revenue for the program.

Stewardship Program

Reauthorization Period

The bill draft reauthorizes the stewardship program for six years, by extending the authority of DNR to obligate moneys appropriated to the program from the capital improvement fund to June 30, 2032. [Sec. 33.] Assembly Bill 315 reauthorizes the program for four years by extending the sunset date to June 30, 2030. [Sec. 27.] The Governor's budget reauthorizes the program for 10 years by extending the sunset date to June 30, 2036. [Sec. 456.]

⁴ More formally, no additional moneys may be obligated through the program after that date.

⁵ Specifically, the provisions required JCF approval of DNR requests to obligate funds for a given activity or project through the program if the project or activity: (a) obligated more than \$250,000; (b) proposed the sale of a portion of the acquired land; or (c) included a fee simple land acquisition north of State Trunk Highway 64. In addition, the statutes required DNR to obtain approval, through a supermajority vote of JCF members, before obligating funds for a proposed land acquisition that was outside of a designated "project boundary" established by DNR on or before May 1, 2013. [s. 23.0917 (5m), (6m), and (8) (g), Stats.]

Land Acquisition Subprogram

The bill draft, Assembly Bill 315, and the Governor's budget each extend the authority of DNR to obligate funds for the Land Acquisition Subprogram through fiscal years 2031-32, 2029-30, and 2035-36, respectively. [Sec. 13.] [Sec. 9.] [Sec. 436.]

The bill draft caps the total amount that DNR may obligate under this subprogram at \$17,200,000 per fiscal year, with \$11,350,000 set aside for grants to nonprofit conservation organizations to acquire certain property and \$5,850,000 set aside for DNR to acquire land and to provide grants to counties for land acquisition. [Secs. 14, 15, and 17.] Assembly Bill 315 caps the total amount at \$3 million per fiscal year, with \$2 million for grants to nonprofit conservation organizations to acquire certain property and \$1 million for DNR to acquire land. [Secs. 10, 12, and 14.] The Governor's budget caps the total amount at \$15 million per fiscal year, with \$14 million for grants to nonprofit conservation organizations to acquire certain property and \$1 million for DNR to acquire land and to provide grants to counties for land acquisition.⁶ [Secs. 437, 438, and 441.]

All three proposals sunset an existing prohibition on DNR obligating more than one-third of certain funds for land acquisition. [Sec. 33.] [Sec. 24.] [Sec. 455.]

Property Development and Local Assistance Subprogram⁷

As with the Land Acquisition Subprogram, the bill draft, Assembly Bill 315, and the Governor's budget each extend the authority of DNR to obligate funds for the Property Development and Local Assistance Subprogram through fiscal years 2031-32, 2029-30, and 2035-36, respectively. [Sec. 18.] [Sec. 15.] [Sec. 442.]

The bill draft caps the total amount that DNR may obligate at \$45 million per fiscal year, of which \$30 million is for local assistance⁸ and \$15 million is for property development.⁹ [SECS. 21, 22, and 23.] Assembly Bill 315 caps the total amount that DNR may obligate at \$7.25 million per fiscal year, all of which is for local assistance. [SECS. 16 and 17.] The Governor's budget caps the total amount at \$51.5 million per fiscal year, of which around \$36 million is for local assistance and around \$15.5 million is for property development. [SECS. 446, 447, and 448.]

Of the amounts obligated for property development, the bill draft increases an existing annual set-aside for DNR grants to nonprofit organizations for property development activities on DNR properties from \$500,000 to \$1.5 million, and increases the amount that may be encumbered for a single property from \$20,000 to \$50,000. [Secs. 24, 25, and 40.] Assembly Bill 315 extends the current \$500,000 set-aside and retains the \$20,000 limit for a single property encumbrance. [Secs. 18 and 39.] The **Governor's budget** increases the set-aside to \$2.5 million, and, like the bill draft, increases the amount that may be encumbered for a single property to \$50,000. [Secs. 450, 462, and 463.]

⁶ Although both the bill draft and the Governor's budget require a set-aside in future fiscal years for grants to counties for land acquisition, that grant program will sunset under current law in fiscal year 2025-26. [See s. 23.0953 (2) (a) (intro.), Stats.] Assembly Bill 315 extends that grant program to fiscal year 2029-30. [Sec. 29.]

⁷ Both the bill draft and the Governor's budget rename this subprogram the "State Property Development and Local Parks and Recreation" Subprogram. [Sec. 10.] [Sec. 434.] For simplicity, this memorandum uses the current name.

⁸ "Local assistance" consists of grants for urban green space, local parks, property development rights, and urban rivers.

⁹ "Property development" consists of property development related to DNR lands, certain wetland mitigation, and certain all-terrain vehicle, utility-terrain vehicle, and snowmobile projects.

¹⁰ Given that all \$7.25 million of the funds under this subprogram are dedicated to local assistance, it is not clear which amounts will be available for this set-aside

Assembly Bill 315 contains the following other changes:

- Caps each grant at 40 percent of the acquisition cost of land (a reduction from 50 percent under current law) if the recipient closes on the acquisition before applying for the grant. [Secs. 2, 4, 6, and 34.]
- Prohibits the recipient from using grants or in-kind contributions to cover more than 30 percent of the remainder of the acquisition cost. [Secs. 1, 3, 5, and 33.]

Recreational Boating Aids Subprogram¹¹

The bill draft increases an annual cap on DNR cost-sharing with local governments for recreational boating projects from \$3 million to \$7.8 million. [Sec. 27.] Assembly Bill 315 retains the existing annual cap of \$3 million. [Sec. 19.] The Governor's budget increases the annual cap to \$9 million. [Sec. 452.]

The bill draft and the Governor's budget contain the following other changes relating to the Recreational Boating Aids Subprogram:

- Repeal the authority of the Wisconsin Waterway Commission to conduct certain studies to aid in assessing the need for recreational boating projects. [Secs. 43, 45, and 46.] [Secs. 614, 616, and 617.]
- Replace "projects underway" with "projects in a state of readiness" in the list of factors considered when establishing the priority of projects. [Sec. 44.] [Sec. 615.]
- Accelerate by three months, from April 1 to January 1, the date in each fiscal year on which DNR
 may begin to allocate unencumbered funds for projects without regard to statutory percentage
 distributions between Great Lakes related projects and inland lakes related projects. [Sec. 47.] [Sec.
 618.]

Provisions Affecting Multiple Subprograms

Both the bill draft and the Governor's budget retain an existing general prohibition on DNR using unobligated bonding authority from a prior fiscal year under the Land Acquisition and Property Development and Local Assistance Subprograms. [Sec. 29.] [Sec. 453.] Assembly Bill 315 modifies that prohibition as follows:

- Sunsets in fiscal year 2025-26 an exception that allowed DNR to use certain unobligated bonding authority in the Land Acquisition Subprogram for grants for county forests.
- Creates a new exception that allows certain unobligated bonding authority to be used for local assistance. 12 [SECS. 20 and 21.]

Assembly Bill 315 also sunsets existing authority for DNR to use certain unobligated bonding authority in the Land Acquisition, Property Development and Local Assistance, and Recreational Boating Aids Subprograms for drilling new wells, facility maintenance, upgrades and renovations, and construction of new buildings. [Sec. 22.] In its place, Assembly Bill 315 directs DNR to use unobligated bonding authority from those subprograms from fiscal years 2021-22 and 2022-23 to obligate \$2.5 million for projects at the Les Voigt State Fish Hatchery and the Brule State Fish Hatchery. [Sec. 22.]

Under current law, DNR may award grants under the Land Acquisition and Property Development and Local Assistance Subprograms to nonprofit conservation organizations to acquire property for various

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¹¹ Both the bill draft and the Governor's budget rename this subprogram the "Local Recreation Boat Facilities" Subprogram. [Sec. 11.] [Sec. 451.] For simplicity, this memorandum uses the current name.

¹² See footnote 7 for the meaning of "local assistance."

purposes.¹³ Generally, a grant may not exceed 50 percent of the acquisition costs of the property. Through fiscal year 2025-26, however, a grant may equal up to 75 percent of the acquisition costs if certain criteria are satisfied. Each proposal extends this 75 percent threshold. [Sec. 36.] [Sec. 32.] [Sec. 459.] In addition, Assembly Bill 315 makes the following changes to these grants and these restrictions:

- Requires DNR to prioritize projects that develop, manage, preserve, restore, and maintain wildlife
 habitat on public lands to benefit game species and other wildlife over projects that acquire
 property. [Secs. 30 and 31.]
- Allows DNR to also use funds for the above purposes from a new appropriation funded by the forestry account. [Sec. 30.]

The above two **changes** are not in the bill draft or the Governor's budget. Instead, both of these proposals authorize DNR to award grants to nonprofit conservation organizations to support wildlife and habitat management, and appropriate \$5 million in fiscal year 2026-27 for the grants. [Secs. 4, 5, and 37.] [Secs. 135, 238, and 460.]

PROVISIONS UNIQUE TO THE BILL DRAFT

The bill draft creates a Knowles-Nelson Stewardship Board attached to DNR. 14 DNR must notify the board in writing prior to obligating more than \$2.5 million from the capital improvement fund for a stewardship land acquisition project or activity (referred to in the bill draft as a "large land acquisition project"). If the board does not meet to review the proposal or does not approve or deny the proposal within 120 days after the notification, DNR may obligate the moneys. If the board meets to review the proposal within 120 days after the notification, DNR may obligate the moneys only upon approval of the board. In addition, DNR must seek, and the board must provide, advice and recommendations on all large land acquisition projects. [SECS. 1, 2, and 30.]

PROVISIONS UNIQUE TO ASSEMBLY BILL 315

Beginning with fiscal year 2026-27, Assembly Bill 315 prohibits DNR from obligating certain funds for a land acquisition project that exceeds \$1 million (referred to in the bill as a "major land acquisition") unless the following process is followed:

- Annually by January 15, and thereafter as desired, DNR submits to the Legislature a list of all major land acquisitions proposed for the subsequent fiscal biennium.
- The list includes estimated purchase prices, requested state funding sources, and nonstate sources of funding, such as federal grants or donations.
- Any major land acquisition is enumerated in the statutes before DNR proceeds with it.

[SECS. 25 and 28.]

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¹³ Examples of these purposes include: state parks, forests, and other natural areas; fish hatcheries; public shooting, trapping, and fishing grounds or waters; urban green space; local parks; the Ice Age Trail; stream bank protection; bluff protection; and projects on or adjacent to urban rivers.

¹⁴ The board consists of legislators, citizens, and representatives of environmental or conservation organizations; hunting, fishing, or trapping organizations; the DNR and Natural Resources Board; an outdoor recreation business; the Ice Age Trail Alliance; an American Indian tribe or band; and a local government.

Assembly Bill 315 also contains the following other general program changes:

- Sunsets a prohibition on DNR obligating more than 20 percent of funds for the acquisition of parcels of land that are less than 10 acres in size. [Sec. 23.]
- Requires DNR to prioritize projects that involve property development over projects that involve land acquisition. [SEC. 26.]
- Changes the definition of "obligate" within the stewardship program so that it refers only to public debt that the state is authorized to contract, rather than to other kinds of funds. [Sec. 8.]

Finally, Assembly Bill 315 provides that it is void unless a second bill draft, LRB-3507/1, is enacted within the current legislative session. [Sec. 35.]

PROVISIONS IN BOTH THE BILL DRAFT AND THE GOVERNOR'S BUDGET

The bill draft **and the Governor's budget** make various appropriations-related changes in ch. 20, Stats., relating to the stewardship program. Key substantive changes include:

- Increasing the annual overall cap on the amount that DNR may obligate through the stewardship program from the current law cap of \$33.25 million. The bill draft raises it to \$72 million. [Sec. 9.] The Governor's budget raises it to \$83 million. [Sec. 415.]
- Modifying the mechanisms for funding state land acquisition and grants to counties by removing a requirement to transfer funds from the forestry account to the capital improvement fund for these purposes, and instead funding these costs by appropriating funds from the conservation fund. [Secs. 3, 7, 8, and 16.] [Secs. 127, 241, 242, and 439.]

The bill draft and the **Governor's budget** also each create the same recreational vehicle grant program, although they differ on how the grants are funded. Under the program, DNR may award grants to local governments or recreational vehicle clubs to: (1) acquire land for establishing recreational vehicle trails; or (2) construct recreational vehicle trail crossings as part of an interchange project. The bill draft creates a new Motorized Recreation Subprogram within the stewardship program to support the grants and sets aside \$2 million annually for them. [Secs. 12, 28, 34, and 42.] **The Governor's budget adds the** grant program to the existing Land Acquisition (for grants for trails) and Property Development and Local Assistance (for grants for trail crossings) Subprograms. [Secs. 440, 443, 457, and 468.]

In addition, the bill draft and the **Governor's budget create** a program under which DNR coordinates with American Indian tribes and bands in the management of education infrastructure, land management activities, and other activities on DNR land, and appropriates \$3 million in fiscal year 2026-27 for the program. [Secs. 4, 6, and 38.] [Secs. 135, 239, and 461.]

Finally, the bill draft and the **Governor's budget sunset** in fiscal year 2026-27 a requirement that DNR must use at least two appraisals to determine the fair market value of land to be acquired under specified grant or aid programs. [Sec. 31.] [Sec. 454.]

Please let us know if we can provide any further assistance.

EL:AH:kp

 15 Both proposals preserve certain exceptions to that limit that apply under current law.

¹⁶ Although Assembly Bill 315 does not contain any bonding or appropriation amounts, <u>testimony</u> by Representative Tony Kurtz at the June 11, 2025, hearing before the Assembly Committee on Forestry, Parks, and Outdoor Recreation indicated an intention that the biennial budget bill would authorize \$13.25 million in bonding and \$15 million in appropriations, for a total stewardship spending level of \$28.25 million. The 2025-2027 biennial budget act, however, did not contain those provisions.