

EXECUTIVE SUMMARY

THIS LAND IS OUR LAND

*The Past and Future of Conservation
Funding in Wisconsin*



WISCONSIN

POLICY FORUM

From the shores of Lake Michigan and Lake Superior to the banks of the Mississippi River, Wisconsin has a wealth of natural resources and a population who prizes them. From hunting and fishing to camping, hiking, and bicycling, Wisconsinites pursue outdoor pastimes at higher than average rates. The state's natural resources are also key to its economy, drawing in visitors and tourism dollars and fueling the forest products and waterborne shipping industries.

Figures from the [U.S. Bureau of Economic Analysis](#) show that outdoor recreation added \$8.71 billion in value to Wisconsin's economy in 2021 and supported more than 89,000 jobs. The industry in Wisconsin outperformed other states in that regard, accounting for 2.4% of state GDP compared to 1.9% nationally and tying for 16th-highest among the 50 states. These lands also support the state's forest products industry, which is second in the nation for total employment and directly supports more than 61,000 workers and added \$6.9 billion in value to the state's economy, according to a [recent DNR report](#).

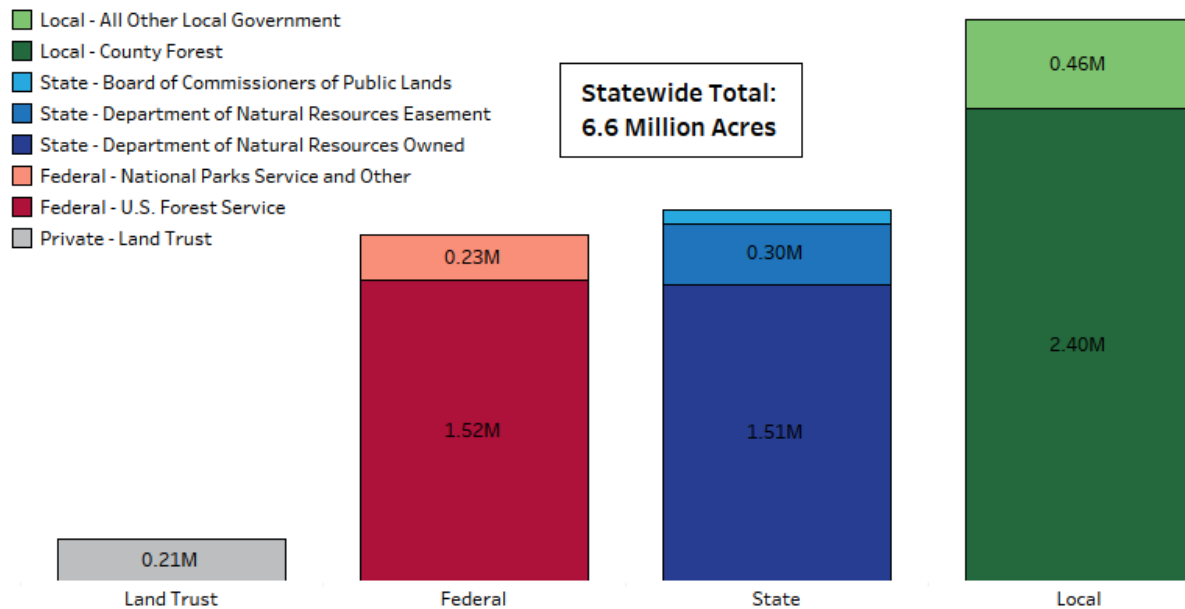
Participation rates for many outdoor activities shot upward during the pandemic and have remained elevated since then, suggesting these changes might be long-lasting. At the same time, public funding for maintaining and expanding these opportunities is stagnant or declining, leaving a difficult task for state and local governments seeking to meet public demand.

Public Lands in Wisconsin

Wisconsin has a wealth of public lands and waters – approximately 6.6 million acres or 17% of the state's land is open for public recreation, according to the DNR's [Statewide Comprehensive Outdoor Recreation Plan](#), including publicly owned land and easements and land trust properties (see chart). In addition, there are more than 1 million acres of private land currently open to the public in exchange for lower taxes as part of the state's Managed Forest Law program. There are also more than 650,000 acres in tribal reservations and lands.

Wisconsin Has a Wide Range of Public Lands With Many Owners

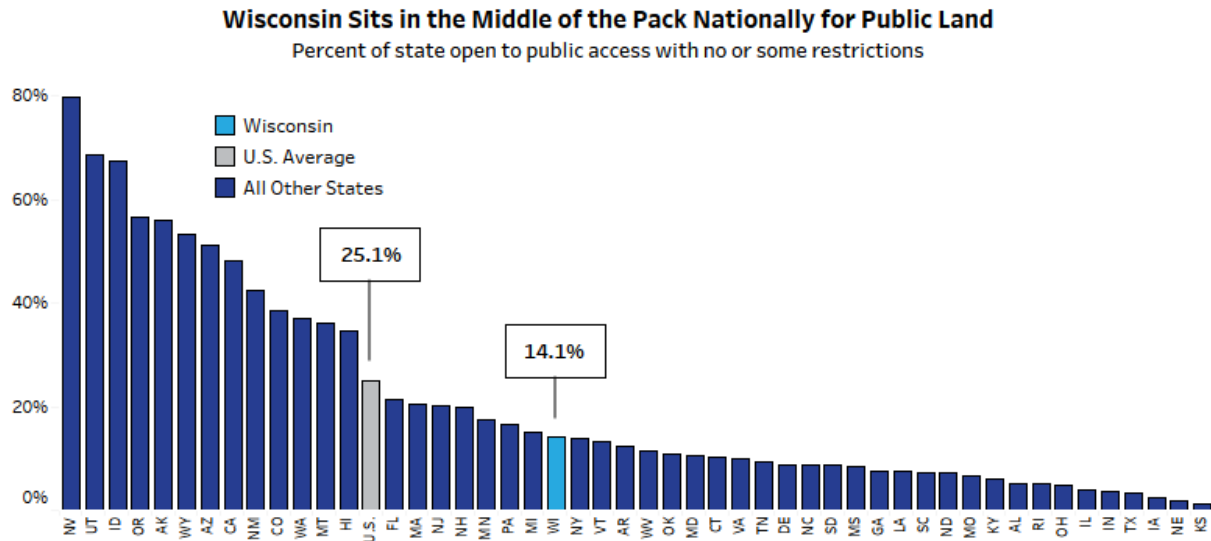
Millions of acres of land open to the public by ownership type



Sources: Wisconsin Department of Natural Resources and Gathering Waters



Wisconsin sits in the middle of the 50 states for its share of public lands, according to [data from the U.S. Geological Survey](#). The data (which uses a somewhat different approach than our calculation above) show 14.1% of Wisconsin’s area is protected and open to the public, which ranked 20th-highest among states but below the U.S. average of 25.1% (see chart).



Source: U.S. Geological Survey

Wisconsin ranks relatively high compared to states east of the Mississippi River and is similar to states with extensive forests and timber industries such as Michigan (14.9% open to the public) and Minnesota (17.4%). Western states like Utah (68.5%) have extensive federal lands and high rates of public land ownership while states dominated by row-crop agriculture like Indiana (3.5%) and Iowa (2.3%) have low rates. However, many of Wisconsin’s public lands are found in the Northwoods, making them more difficult to access for the population living in the southern half of the state.

Wisconsin Is a Leading State for Outdoor Pursuits

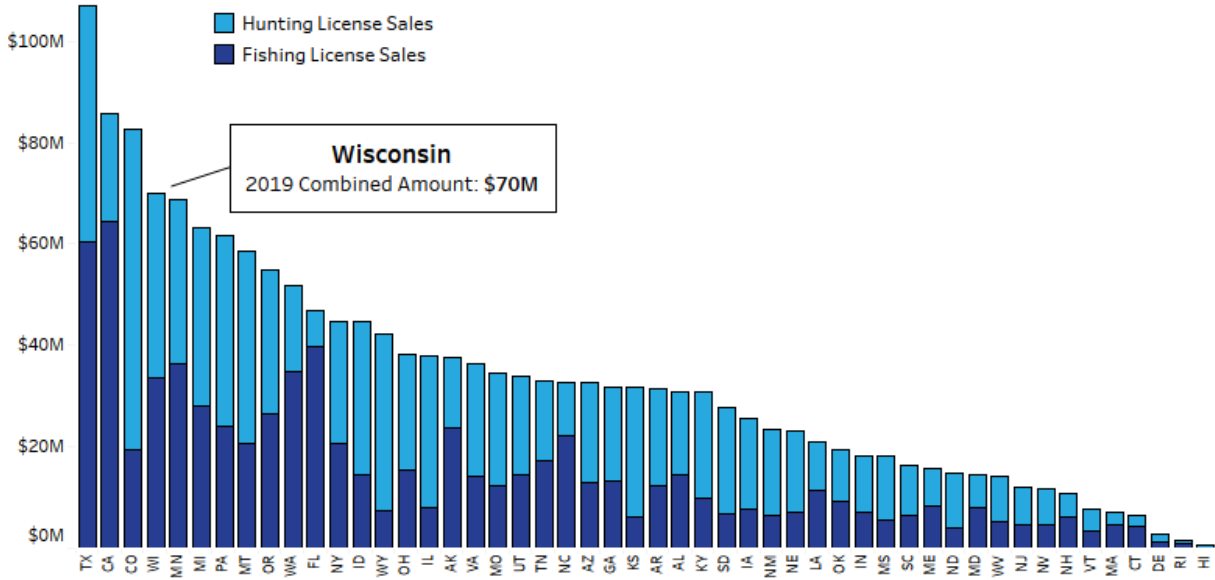
The popularity of public lands boomed after the onset of the pandemic. Visits to state parks alone in Wisconsin reached 22.2 million in 2021, a 27.2% increase over 17.5 million in 2019. Purchases of stickers for vehicles to enter a park rose by an even more dramatic 52.2% between 2019 and 2021. Out-of-state sticker purchases more than doubled in 2020 and remained 77.7% higher in 2021 than in 2019, showing how parks help draw visitors into Wisconsin.

The state has a strong reputation nationally for a variety of outdoor pursuits, from cross-country skiing and birding to snowmobiling and all-terrain vehicles. The fees paid by some of these outdoor enthusiasts deliver significant funding for state conservation and parks programs.

For example, high rates of participation mean Wisconsin had \$70 million in gross sales of fishing and hunting licenses in the state in 2019 – the fourth-highest total nationally (see chart on the next page), according to [U.S. Fish and Wildlife Service data](#). In 2019, 1.3 million in-state and out-of-state anglers bought a fishing license in Wisconsin, the sixth-highest number of any state. Just under 667,000 individuals purchased a Wisconsin hunting license in 2019, the fifth-most in the country. These license sales surged during the pandemic, providing a potent source of conservation funding. Yet an aging pool of hunters and anglers means these fees could diminish in the future.



Wisconsin Number Four Nationally in License Revenues
 Amount of gross hunting and fishing license sales in each state in millions, 2019



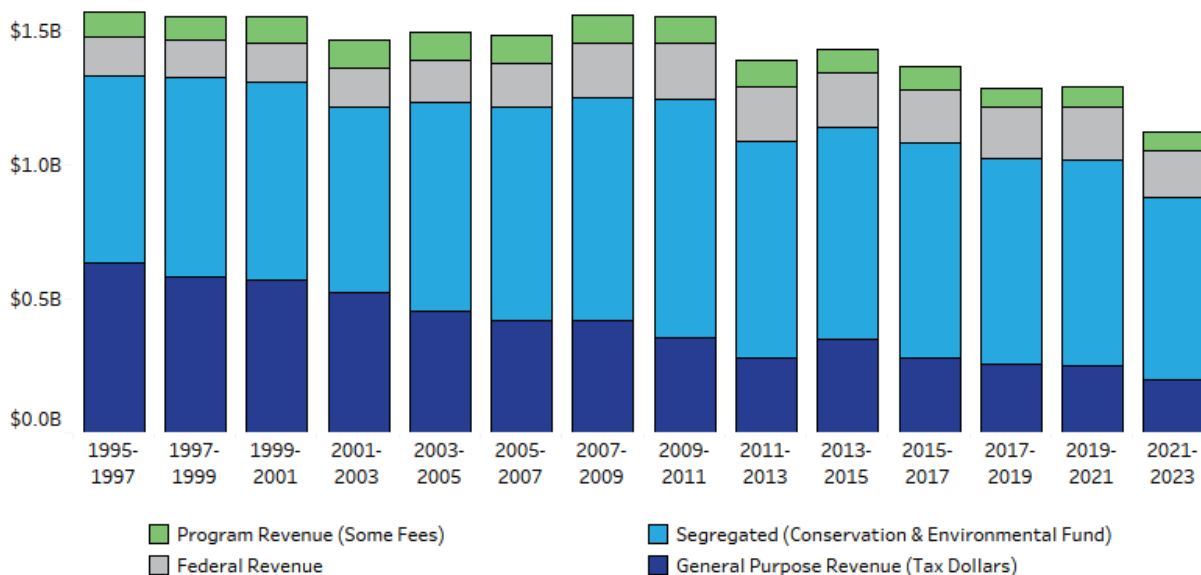
Source: U.S. Fish & Wildlife Service; some hunters and anglers purchase licenses in more than one state. Data do not include free licenses or those who do not need a license.

Funding for Conservation and Parks Has Dwindled

Despite its strong reputation for conservation and outdoor pastimes, the state has seen a steady erosion in state tax funding (also known as General Purpose Revenue) for conservation programs and for the state Department of Natural Resources more broadly, and a rise in other funding sources such as fees imposed on state park visits and garbage heading to landfills (known as tipping fees on solid waste).

State Tax Funding for Conservation and the Environment Has Fallen Over Time

Budgeted revenues for the Wisconsin Department of Natural Resources by type and budget cycle (2022\$)



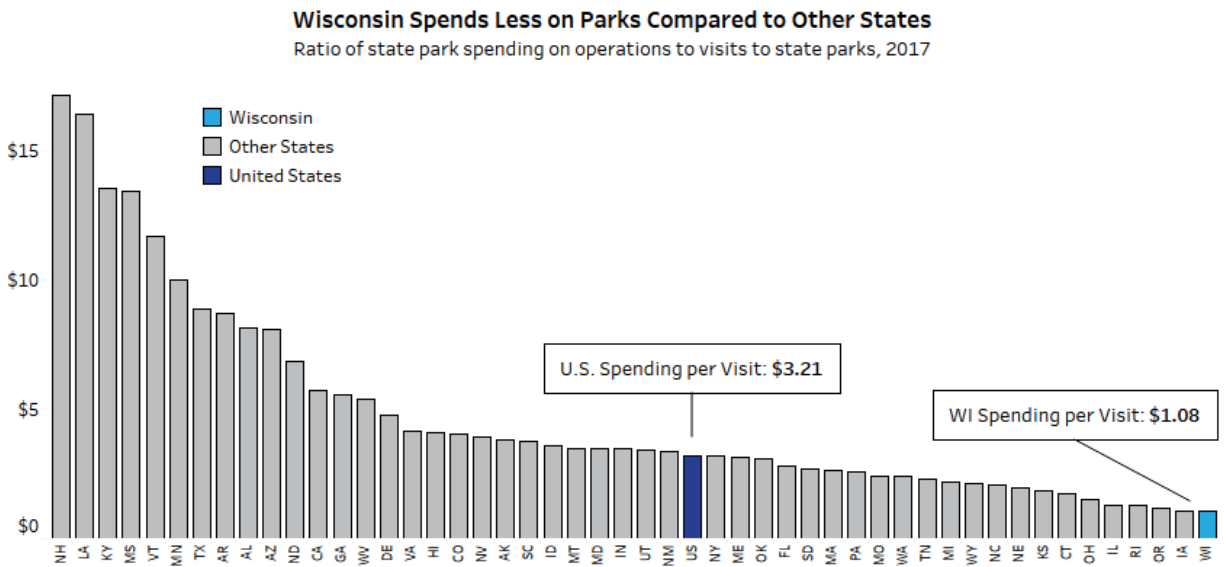
Sources: Legislative Fiscal Bureau and U.S. Bureau of Labor Statistics



According to the Legislative Fiscal Bureau (LFB), the DNR received \$334.3 million in GPR funding in the 1995-97 state budget but only \$197.5 million in the 2021-23 budget, a 40.9% decrease even before adjusting for inflation (see chart on the previous page). After accounting for inflation, the tax funding dropped 68.8% from an adjusted \$632.2 million in 1995-97 to its current level.

A key reason for the decline in the DNR’s GPR funding over the decades has been the use of available funds for priorities such as Medicaid, K-12 schools, state prisons, and tax cuts. Many of the funding cuts came in difficult post-recession budgets like 2003-05, 2009-11, and 2011-13 but funding has not been restored in recent years despite strong tax growth, suggesting state leaders have seen it as a low priority. Elected officials shifted the source of debt payments from GPR to segregated sources (such as the state forestry account), moved to greater reliance on fees and other funds to pay for state parks and park and forest roads, cut administrative costs, and made position cuts and across-the-board spending reductions.

Prior to 1995, state parks were funded equally by GPR and fees and other funds but by the 2015-17 budget all GPR funding for the parks had been eliminated, [according to LFB](#). That’s one reason why Wisconsin spent only \$19.6 million in 2017 to operate its state parks, or \$1.08 per visit, which according to [annual surveys](#) from the National Association of State Parks Directors was the lowest in the country (see chart). Local parks spending in Wisconsin has been much stronger, but funding constraints on local governments may make that difficult to sustain in the coming years.



Source: National Association of State Park Directors; data for New Jersey not available.

Spending has also diminished within the state’s Knowles-Nelson Stewardship program, which largely uses borrowing to pay for land purchases for conservation, easements to protect land against development, and projects such as boat ramps, piers, trails, and bridges that help the public access and enjoy public lands. Since 1990, the Stewardship program has helped finance the purchase of more than 723,000 acres of land by the DNR (plus additional acres by other purchasers) at a cost of \$560.8 million in Stewardship spending and \$143.3 million in spending by the federal government, private individuals and groups, and certain other state funds, according to LFB.

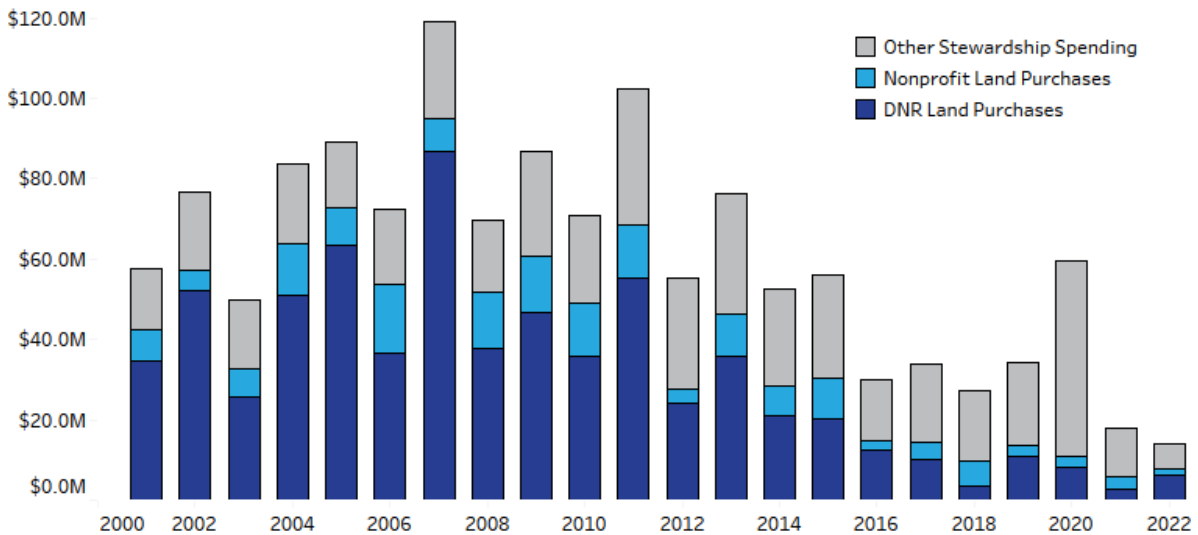
While the total amount is substantial, the program has become smaller over time. Overall Stewardship spending in 2022 was \$14.1 million – the lowest in at least two decades and down



83.2% from its 2007 peak of \$84.3 million before adjusting for inflation and 88.1% from an inflation-adjusted peak of \$119 million (see chart). Between 2000 and 2021, the annual funding allotment for the Stewardship program grew 43.9% while consumer prices grew 57.4%. Land and construction costs – including the average forest land price in Wisconsin – have risen even more rapidly, eroding the program’s buying power. Lawmakers have also declined some projects outright.

Stewardship Spending Falling, Especially for Land Purchases

Stewardship spending by program and year (2022\$)



Source: Legislative Fiscal Bureau

How to Fund Conservation in the Future?

The table shows a menu of options – ranging from more modest and easy to pass to larger and more difficult – that we developed from past agency proposals and a review of other states. The state could use these funding options to conserve additional lands and improve existing properties, upgrade state parks, boost access to natural areas for users, limit the spread of invasive species, carry out relevant research, fund efforts to retain and recruit hunters and anglers, and provide conservation and parks aid to local and tribal governments.

Table 1: Conservation Funding Options and How They Could Be Used

Revenue Source	Operations	Capital Spending	Both
Automatic renewal of licenses and parks stickers	■		
Raise state parks fees	■		
Offer other state parks services	■		
Raise hunting and fishing fees	■		
Requiring sticker for State Natural Areas	■		
Registration of additional small watercraft			■
Use portion of state surplus		■	
Maintain or add to Stewardship borrowing		■	
Earmarking existing state real estate transfer fees			■
Sales tax on outdoor gear			■
Earmarking or raising existing sales taxes			■
Imposing severance taxes for resource extraction			■
Tax credits for conservation		■	
Exploring carbon credits			■

Source: Wisconsin Policy Forum research



Some of the key potential funding options and their pros and cons include:

- Increasing existing fees to match inflation, which could raise \$24 million in the case of hunting and fishing fees, or applying new fees to non-motorized watercraft or users of state lands outside the parks system. This simple approach matches costs to the users who benefit most, but doubles down on the state's existing reliance on fees and impacts low-income users the most.
- Redirecting some of the state's existing real estate transfer fee revenue to favor state and local conservation and public lands. These revenues hit record levels in 2022, but the state keeps most of them for its general spending and passes only 20% on to county governments.
- Providing current or new sales tax revenues for conservation and parks – states such as Missouri, Texas, and Iowa offer different models for Wisconsin to explore. Since 2010, Minnesota's 0.375% sales tax has generated \$2.9 billion for clean water, outdoor heritage, and parks and trails, with an additional \$706 million for arts and cultural heritage. Sales tax revenues would diversify conservation funding but either reduce funding for other state priorities – or increase taxes.
- Creating an income tax credit for land or easements donated for conservation similar to the one currently provided by Colorado, which since 2014 has used such credits to help conserve 434,165 acres at a cost of \$181.2 million. The credits could leverage private efforts and win bipartisan support, but they do still come at a cost and need safeguards to ensure a good outcome for the public.
- Expanding existing state and local collaboration to provide parks, forestry, and conservation services. In 2020, 965 local governments in Wisconsin reported at least some parks spending, offering opportunities for cooperation even though it will not be a panacea.

The state's current economy and quality of life would not have been possible without the wise use of its lands, waters, and natural resources. While Wisconsin once stood out among the 50 states in this respect, it has now drifted more toward the middle of the pack in many key indicators, and this drop has been reflected by growing challenges in preserving and maintaining the state's rich conservation and parks heritage.

The state's sizable budget surplus, the recent uptick in the use of its natural resources by citizens, and the growing recognition of these challenges now provide both an opportunity to re-prioritize conservation and public lands and restore Wisconsin's impressive legacy for the next generation.

