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**Contact:** Mark Sommerhauser, Communications Director & Researcher (608) 982-0324 or <a href="mailto:msommerhauser@wispolicyforum.org">msommerhauser@wispolicyforum.org</a>

Wisconsin Conservation Funding Down, Even As Participation in Outdoor Activities Rises
Review of other states gives options to enhance historical commitment to natural resources

Wisconsin is a longstanding national leader in enjoying and protecting its abundant natural resources. But state tax funding for conservation, public lands, and the environment has been in a generation-long decline, even as participation in outdoor activities soared during the COVID-19 pandemic and has since remained elevated.

This heightens the tension between the state's current level of conservation funding and its ability to maintain its outdoor heritage and address future needs. In light of this – and the state's vastly improved fiscal health – policymakers may wish to consider new state funding sources for conservation, according to a new Wisconsin Policy Forum report.

The new study reviews Wisconsin's natural assets and history of outdoor pursuits, its current conservation financing mechanisms, and approaches used in other states. It finds Wisconsin is a top state in conservation and outdoor recreation and receives a substantial economic boost from its natural resources and those who enjoy them.

## Examples include:

- Outdoor recreation added \$8.71 billion in value to Wisconsin's economy in 2021 and supported more than 89,000 jobs. The industry accounted for 2.4% of state GDP compared to 1.9% nationally, tying for 16th-highest among the 50 states.
- The state's timber industry is second in the nation for total employment and supports more than 61,000 jobs and more than \$6.9 billion in economic activity.
- Wisconsin had \$70 million in gross sales of fishing and hunting licenses in the state in 2019

   the fourth-highest total nationally. That year, it also ranked sixth nationally in the number of anglers (both in- and out-of-state) who bought fishing licenses and fifth in the number of individuals who bought hunting licenses.

Despite its reputation for supporting conservation and outdoor pastimes, during the past generation, Wisconsin has seen a steady erosion in the overall funding provided to conservation, parks, and the environment in the form of General Purpose Revenue (GPR). GPR is drawn from the state's general fund, which collects revenue from the state's main taxes on income and sales. At the same time, other funding sources have increased, such as fees imposed on state park visits. Key findings include:

 The Wisconsin DNR received \$334.3 million in GPR funding in the 1995-97 state budget but only \$197.5 million in the 2021-23 budget, according to the Legislative Fiscal Bureau (LFB). That was a 40.9% decrease even before adjusting for inflation. Accounting for inflation, GPR funding dropped 68.8% from an adjusted \$632.2 million in 1995-97 to its current level.

- 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.
- The decrease in GPR funding is 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. Local parks spending in Wisconsin has been higher, but funding constraints on local governments may make that difficult to sustain.
- Spending has also diminished within the state's Knowles-Nelson Stewardship program, which uses borrowing to pay for land purchases for conservation, easements to protect land against development, and infrastructure that help the public access and enjoy public lands. 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.

The report details a menu of potential conservation funding options based on past agency proposals and a review of other states. They include: increasing existing fees to match inflation; redirecting some of the state's existing real estate transfer fee revenues toward state and local conservation and public lands; providing current or new sales tax revenues for conservation and parks; creating an income tax credit for land or easements donated for conservation; or expanding existing state and local collaboration to provide parks, forestry, and conservation services.

Ultimately, the state's current economy and quality of life would not have been possible without the far-sighted use of its lands, waters, and natural resources. While Wisconsin once stood out among the 50 states in this respect, it has now drifted toward the middle of the pack in the case of many indicators and even lower than that in some cases.

Now, however, increased demand for outdoor recreation and the state's record budget surplus provide both an impetus and an opportunity to re-prioritize conservation and public lands and ensure Wisconsin's outdoor legacy is extended to the next generation.

This report was sponsored by Gathering Waters, the Wisconsin Realtors Association, Godfrey & Kahn, the Wisconsin Wildlife Federation, Pheasants Forever, the Audubon Great Lakes, and the Community Foundation of the Fox Valley Region.

Click here to read the full report: <u>"This Land is Our Land: The Past and Future of Conservation Funding in Wisconsin."</u>

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