DNR Reorganization on the Horizon
By Jordan Lamb -- DeWitt Ross & Stevens

DNR Secretary Cathy Stepp and Governor Scott Walker have a plan to make the Wisconsin DNR more accountable and efficient. The agency, which has approximately 2,200 employees, will be asked to implement a plan to foster more efficient review of permit applications by allowing DNR officials to meet with regulated parties in advance of submission of permit applications. The proposal would also allow the DNR to have increased flexibility to hire employees and to provide merit pay.

Concern about the streamlining plan has been expressed by the Wisconsin League of Conservation Voters. However, several agricultural organizations, including the Wisconsin Farm Bureau Federation and the Wisconsin Pork Association, have publicly expressed support for increased efficiency at the DNR.


Legislative Committee Proceeds with Delay of Air Emissions Rule for Ag
By Jordan Lamb -- DeWitt Ross & Stevens

On May 24, the Joint Committee for Review of Administrative Rules voted in favor of suspending the portions of Wis. Admin. Code s. NR 406, 407 and 445, which regulate the air emissions associated with agricultural waste. The DNR and several agricultural organizations testified before the committee earlier this spring as to the need to delay implementation of this rule for agricultural waste while the U.S. EPA finalized its data analysis and recommendations for regulation of emissions of ammonia and hydrogen sulfide from agricultural waste. The regulation of ag waste air emissions under the Clean Air Act is being carefully studied by EPA and will be based on the results of a multi-year study across the nation. Guidance from EPA is expected in the next 18-24 months.

The Committee’s action, which can delay the implementation of this portion of the rule until the end of this legislative session, will likely be followed later this year by additional action by the Legislature or the DNR in order to provide more certainty as to when regulation of air emissions from sources associated with agricultural waste will go into effect in Wisconsin.
Last week, the Joint Committee on Finance reviewed and finalized the 2011-13 budget provisions for the Department of Agriculture, Trade and Consumer Protection. The budget will go, along with the rest of the bill when Finance action is complete, to the full legislature for consideration before it is sent back to the Governor. Among the changes adopted to the DATCP budget were the following:

- **Working Lands Initiative:** Repeal the conversion fee for requests for rezoning from certified farmland preservation districts to other designations; repeal PACE bonding authority of $12 million; maintain the statutory authorization for the PACE program and the annual appropriation for PACE program and PACE gifts and grants; and provide DNR stewardship program bonding for the 16 projects approved by the PACE program in 2010.

- **Meat Safety Inspections:** Provide additional funding and 10 additional positions over the biennium (4 in the first year and 6 in the second year); and repeal the statutory provision requiring DATCP to promulgate an administrative rule establishing a fee for the meat and poultry inspection program.

- **Buy Local, Buy Wisconsin Program:** The Governor had recommended both deleting the program and the funding for the program. The Joint Committee on Finance restored the program and provided $400,000 over the biennium for the program.

- **Grain Inspection Program:** Maintained funding for the program and for 21 positions, but required DATCP to report by Jan. 1, 2012 on specific actions taken or administrative efforts planned to correct the deficit in the grain inspection program. (As of June 20, 2010, the grain inspection continuing appropriation carried a deficit of $658,500.)

- **Agricultural Chemical Cleanup Fund:** Re-estimate ACCP cleanup reimbursement at $2.2 million a year; and require DATCP to transfer an additional $98,000 in one-time funding in 2012-13 for fertilizer research at the University of Wisconsin System.

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**DNR Budget Moves Ahead – Action on Phosphorus Rule Coming Soon**

The Joint Committee on Finance has taken action on many items in the DNR’s budget. This week, the committee voted to cap water use fees such that an owner of eight or more water supply systems on separate properties will not be charged more than $1,000 in cumulative water use fees. Under current law, there is a $125 fee for each water supply system on separate properties. This change allows owners of multiple, but non-contiguous properties, to have some water use fee relief.

The Committee also voted to repeal NR 151, Wisconsin’s nonpoint source pollution law and direct DNR to write a new rule. If this change stays in the budget bill, then it could force Wisconsin’s nonpoint program to be administered by the EPA, rather than the DNR, until a new rule is developed. However, concerns over this action have been raised and it will remain to be seen if this provision is amended to restore some or all of Wisconsin’s nonpoint source pollution rule. The budget bill still has to be approved by both houses of the legislature and the Governor before it is final.

The Joint Committee on Finance is scheduled to consider the more controversial phosphorus effluent limitations next week.
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