



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #464

Urban Forestry Grant Eligibility (DNR -- Parks and Forestry)

[LFB 2015-17 Budget Summary: Page 316, #9]

CURRENT LAW

The Department awards urban forestry grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000. DNR may also award grants under the urban forestry grant program to counties, cities, villages, towns, nonprofit organizations, and tribal governments for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas if the Governor has declared an emergency. No match is required for storm emergency grants. Base level funding of \$524,600 forestry SEG is available.

GOVERNOR

Require DNR to award urban forestry grants to counties, cities, villages, towns, and nonprofit organizations for up to 50% of the cost of removing, saving, and replacing trees in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

DISCUSSION POINTS

Catastrophic Storm Grants

1. Since 2007 Act 13, DNR has provided funds under the urban forestry grant program for catastrophic storm grants. Current law specifies that to be eligible for these grants, the damage

must have occurred in an area for which the Governor has designated a state of emergency due to a catastrophic storm event. The statutes specify that the grants may be provided for up to 100% of costs of removing, saving, and replacing trees (no match is required). DNR staff indicate that while storms can occur at any time, they have typically occurred during the summer months. Under administrative rule, DNR currently sets aside 20% of annual funding for these grants and grants may range from a minimum of \$4,000 to a maximum of \$50,000. Because the appropriation is a biennial appropriation, DNR staff indicate that at the end of the first fiscal year, any remaining unencumbered funds from the set aside are allocated toward general urban forestry grants. In the second year of the biennium, any unencumbered funds as of December 1 are allocated to general urban forestry grants. The following table shows all catastrophic storm grants awarded under the urban forestry grant program.

TABLE 1
Catastrophic Storm Grants Awarded

<u>Grantee</u>	<u>County</u>	<u>Award</u>	<u>Storm Event</u>	<u>Tree Maintenance</u>		
				<u>Planting</u>	<u>Removal</u>	<u>Pruning (Saving)</u>
Fiscal Year 2008-09						
Kenosha County	Kenosha	\$21,400	Tornado		x	x
Town of Wheatland	Kenosha	<u>50,000</u>	Tornado	x	x	x
Subtotal		\$71,400				
Fiscal Year 2009-10						
Town of Vernon	Waukesha	\$50,000	Tornado		x	x
Fiscal Year 2010-11						
Village of Grantsburg	Burnett	\$31,600	Catastrophic Storm	x	x	x
Village of Minong	Washburn	<u>17,000</u>	Catastrophic Storm	x	x	x
Subtotal		\$48,600				
Fiscal Year 2011-12						
Village of Brooklyn	Dane/Green	\$22,400	Catastrophic Storm	x	x	x
Fiscal Year 2013-14						
City of Brodhead	Green	\$19,500	Catastrophic Storm	x	x	x
City of Madison	Dane	19,500	Catastrophic Storm	x	x	x
Village of McFarland	Dane	8,200	Catastrophic Storm	x	x	x
City of Platteville	Grant	19,500	Catastrophic Storm	x		
Platteville Community Arboretum, Inc.	Grant	18,700	Catastrophic Storm	x		
City of Sun Prairie	Dane	<u>19,500</u>	Catastrophic Storm	x	x	x
Subtotal		\$104,900				
Total		\$297,300				

2. The Department defines a "catastrophic storm event" under administrative rule as snow, ice, hail, wind or tornado of sufficient ferocity to cause damage to urban forests and for which

the Governor declares a state of emergency under s. 323.10 of the statutes. The rule states that a catastrophic storm event does not include forest fires, drought, insect infestations or disease, or water saturation due to flooding. The bill would remove the requirement regarding the declaration of a state of emergency, and grants would be limited to up to 50% of project costs. Further, the bill would add disease or infestation to the eligible grant award events. Under the bill, urban forestry grants would be provided for up to 50% of the cost of removing, saving, and replacing trees in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

3. The administration indicates that it is expected that communities should be able to assist in the replacement of trees using existing resources or through outside grant funding. However, DNR staff indicate that it may be difficult for communities to provide sufficient funding for their portion of the project, especially in an emergency. Given the emergency situations, under the current program, grant recipients may request 50% advance payment of estimated project costs. On the other hand, requiring matching funds allows grant funds to go further to fund a larger number of projects. An option would be to require a 25% local match, which would allow more projects to be funded but recognize the difficulty local communities may have in coming up with funds in an emergency [Alternative C2]. Another alternative could be to limit grants to up to 50% of costs except in the case of catastrophic storm events, for which no match would be required (as under current law) [Alternative C3].

General Urban Forestry Grants

4. The general urban forestry grant program provides grants for a variety of purposes. The bill would eliminate tree management plans, tree inventories, brush residue projects (no grants have included brush residue projects in the last five years), the development of tree management ordinances, tree disease evaluation, and public education relating to trees in urban areas and other related projects from the statutory list of eligible urban forestry grants. The administration indicates the intent was for the program to better utilize forestry resources with a focus primarily on tree planting rather than education.

5. The Department indicates that many of the types of activities involved in the urban forestry grant projects funded in the past would not be eligible for funding under the bill. Further, those types of activities that would be eligible for funding under the bill, such as tree removal, tree repair (saving), and tree planting, would only be eligible in an urban area that had already been damaged by disease, infestation, or catastrophic storm events. From calendar year 2011 through 2015, DNR awarded 224 general urban forestry grants (excluding catastrophic grants) that may have included one, or more, of various eligible project costs. As shown in the following table, of the 224 grants awarded from calendar year 2011 through 2015, 112 projects (50%) involved some amount of education or outreach. However, many urban forestry grant projects involved multiple types of activities, including the following activities which would not be eligible for funding under the bill: tree inventories [105 projects (47%)], training [66 projects (29.5%)], and tree management plans [41 projects (18%)]. Activities which would be eligible for funding under the bill include: tree planting [126 projects (56%)], tree removal [96 projects (43%)], and tree pruning [44 (20%) which could be considered tree "saving"]. These activities would be eligible for funding under the bill, although only in cases where the communities had been damaged by disease, infestation, or

catastrophic storm events.

TABLE 2
General Urban Forestry Grant Activities (2011 through 2015)

	<u>Projects Including this Activity</u>	
	<u>Number</u>	<u>Percent**</u>
Project Activities Not Eligible Under the Bill:		
Information/ Education/ Outreach	112	50%
Tree Inventory	105	47
Training	66	29
Tree Management Plan	41	18
Emerald Ash Borer Plan	30	13
Other	25	11
Tree Management Ordinance	16	7
Project Activities Eligible Under the Bill:*		
Tree Maintenance: Planting	126	56%
Tree Maintenance: Removal	96	43
Tree Maintenance: Pruning (Saving)	44	20
Tree Maintenance: Other (Primarily Emerald Ash Borer Treatment) (Saving)	42	19

*Eligible only in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

**Percent of the 224 grant projects funded between 2011 and 2015 that included this category.

6. The attachment shows 2015 urban forestry grants (no catastrophic storm grants have been provided for 2015 as of April 1, 2015). It could be argued that the forestry mill tax, as a property tax, is paid by most state residents, utilizing forestry account funding for routine urban forestry management activities is reasonable and current law should be maintained [Alternative A2]. In addition, maintaining or increasing the urban forest canopy provides functional benefits such as storm water moderation, lowered energy costs, improved air quality, carbon sequestration, shading, and protection from ultraviolet radiation. Further, the forestry account is expected to have an available balance under the bill. Therefore, it could be argued that the Department has sufficient resources to fund the types of projects allowed under current law. On the other hand, the administration argues that forestry resources should be allocated to communities that have been impacted by disease, infestation, or catastrophic storm events.

7. DNR staff indicate that in addition to state funds for urban forestry grants, the urban forestry program also typically receives an annual grant from the United States Department of Agriculture (USDA) Forest Service, referred to as the Urban and Community Forestry Core Grant (typically ranging between \$200,000 and \$275,000 annually). The majority of the grant is used for DNR limited-term employee (LTE) salary and fringe, with some funding used for the cost of travel and contracts for training or demonstration projects. The remainder is designated for urban forestry grants. In 2011, the Department received an additional grant of \$141,900 from USDA Forest Service which was utilized for urban forestry grants for emerald ash borer (EAB) efforts. The

Department indicates that core grant funds may only be utilized by DNR for purposes that are statutorily authorized for state grants. That is, the federal funding could not be utilized to award urban forestry grants of the types eliminated under the bill. Currently, urban forestry grant requests exceed available funding. The following table shows the funding requested and funding awarded under the urban forestry grant program from calendar year 2010 through calendar year 2015 (grants are awarded in fall for the following calendar year). Over that period, the amount awarded from state and federal funds ranged from 59% of the amount applied for in 2013 to 78% in 2011 (the year where additional USDA EAB grant funds were available).

TABLE 3

**General Urban Forestry Grant Funding Requested and Funds Awarded:
Calendar Year 2011 through 2015**

<u>Calendar Year</u>	<u>Funding Requested</u>	<u>State Funding Awarded</u>	<u>Percent Funded (State only)</u>	<u>Federal Funding Awarded</u>	<u>Total Funding Awarded</u>	<u>Percentage Funded (State and Federal)</u>
2015	\$715,300	\$420,300	58.8%	\$63,400	\$483,700	67.6%
2014	813,300	524,600	64.5	92,900	617,500	75.9
2013	955,300	500,000	52.3	60,700	560,700	58.7
2012	699,000	528,200	75.6	0	528,200	75.6
2011	<u>865,200</u>	<u>445,800</u>	51.5	<u>228,400*</u>	<u>674,200</u>	77.9
Total	\$4,048,100	\$2,418,900	59.8%	\$445,400	\$2,864,300	70.8%

*Included \$141,900 specifically for emerald ash borer efforts.

8. Emerald ash borer (EAB) treatment would be eligible for urban forestry grant funding under the bill only in areas that have been damaged by the pest (as shown in Table 2, 42 of the 224 grants, or 19%, awarded from 2011 through 2015 included tree maintenance, primarily EAB treatment). The EAB is an exotic insect, native to Asia, which is threatening the ash resource in the Great Lakes region. The EAB was first found in southeastern Wisconsin in 2008. The chemical treatment for EAB is applied as a preventative measure to prevent the insects from infesting ash trees. This could be done before an EAB infestation is detected in a community, or after the infestation has begun. Under the bill, a community would only be eligible for EAB treatment funds after an infestation had damaged trees in that area. Additionally, planning for a community's response to EAB would not be eligible for urban forestry grant funds (13% of grants from 2011 through 2015 included EAB planning).

9. The administration indicates that the effect of the bill on urban forestry grant funding for EAB planning, prevention, and treatment was not discussed. According to the Department of Agriculture, Trade, and Consumer Protection (DATCP), Wisconsin forests contain more than 770 million ash trees (nearly 7% of the tree population), and in urban areas, DATCP estimates that approximately 20 percent (over 5 million trees) are ash. While the insect can only fly a few miles on its own, DATCP indicates it is easily and quickly moved to new areas when insect larvae are

transported in infested firewood, ash nursery stock, or other items. Currently 37 counties are under a quarantine restricting ash timber sale and movement. Communities in these counties arguably would be eligible for treatment funds to save trees under the bill. The EAB is expected to appear in communities throughout Wisconsin, and DATCP recommends that municipalities prepare in advance for the insect's arrival, including development of a funding strategy. According to DATCP, a well-planned response can minimize the impact, reduce liability, spread out costs and lessen the overall cost of EAB infestation response. Specifying that urban forestry grants may be utilized for up to 50% of the costs of disease planning, prevention, and treatment could provide all communities with a portion of the funding necessary to conduct tree inventories, tree plantings and other activities in preparation for and in response to an EAB infestation or other potential disease affecting urban forests [Alternative B2].

ALTERNATIVES

A. Urban Forestry Grant Program

1. Adopt the Governor's recommendation to require DNR to award urban forestry grants to counties, cities, villages, towns, and nonprofit organizations for up to 50% of the cost of removing, saving, and replacing trees in urban areas that have been damaged by disease, infestation, or catastrophic storm events.

2. Maintain current law.

B. Disease Damage (If an alternative from "A" is not adopted.)

Specify that urban forestry grants may be awarded to counties, cities, villages, towns, and nonprofit organizations for up to 50% of the cost of the following:

1. Removing, saving, and replacing trees in urban areas that have been damaged by disease or infestation. (Governor's recommendation).

2. Disease planning, prevention, and treatment.

C. Catastrophic Storm Damage (If an alternative from "A" is not adopted.)

Award urban forestry grants to counties, cities, villages, towns, and nonprofit organizations for the costs of removing, saving, and replacing trees in urban areas that have been damaged by catastrophic storm events at the following amounts:

1. Up to 50% (Governor's recommendation).

2. Up to 75%.

3. Up to 100% (current law).

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Attachment

ATTACHMENT

2015 General Urban Forestry Grants

Grantee	County	Project Description	Award	Project Activities Not Eligible Under the Bill					Project Activities Eligible Under the Bill*			
				Education/ Outreach	Inventory	Training	Mgmt. Plan	EAB Plan	EAB Treatment	Planting	Removal	Pruning
Brooklyn (V)	Dane/ Green	Urban Forestry Management	\$5,000							x	x	x
Burlington (C)	Racine	EAB Control, GIS Inventory, & Tree Maintenance	\$25,000	x	x	x			x	x	x	x
Butternut (V)	Ashland	Tree Planting, Pruning and/or Removal	\$5,000							x	x	x
Plainfield (V)	Waushara	Tree Planting, Pruning and/or Removal	\$2,000							x	x	x
Cornell (C)	Chippewa	Tree Inventory & EAB Planning Program	\$5,000		x		x		x		x	x
Stratford (V)	Marathon	Urban Forestry Management	\$5,000	x							x	x
Turtle (T)	Rock	Tree Maintenance & Inventory Management Plan	\$4,000		x						x	x
Ashwaubenon (V)	Brown	EAB Management-Chemical Treatment, Removal, Replanting	\$25,000						x	x	x	
Bayside (V)	Milwaukee	Tree Removal and Planting (EAB Mitigation Strategy)	\$25,000							x	x	
Cumberland (C)	Barron	Urban Forestry Plan and Community Awareness Program	\$2,200	x	x		x		x	x	x	
Ozaukee County Planning and Parks Department	Ozaukee	Improvements to Ecology in Parks and Other Lands	\$25,000	x	x	x			x	x	x	
Slinger (V)	Washington	EAB Action Plan	\$10,200	x	x	x			x	x	x	

Grantee	County	Project Description	Award	Project Activities Not Eligible Under the Bill					Project Activities Eligible Under the Bill*			
				Education/ Outreach	Inventory	Training	Mgmt. Plan	EAB Plan	EAB Treatment	Planting	Removal	Pruning
Monroe (C)	Green	Public Tree Inventory and EAB Treatment/Preventative Removal	\$19,500	x	x				x		x	
Sheboygan (C)	Sheboygan	EAB Operations, Management, and Planting Plan	\$21,900	x	x		x				x	
Bellevue (V)	Brown	EAB Plan, Tree Planting, & EAB Community Education	\$11,900	x	x			x		x		
Grafton (V)	Ozaukee	Treating and Replacing Ash Trees	\$14,200							x		
Greenfield (C)	Milwaukee	EAB Treatment, Information & Canopy Preservation	\$14,500	x				x	x	x		
Onalaska (C)	La Crosse	EAB Ash Tree Replacement Planting Program	\$8,800							x		
Sussex (V)	Waukesha	Urban Forestry Management Plan	\$5,000		x		x			x		
Urban Tree Alliance (Madison)	Dane	Madison Area Canopy Project	\$25,000	x	x	x				x		
Fitchburg (C)	Dane	EAB Treatment and Canopy Preservation	\$10,800			x			x			
Germanton (V)	Washington	EAB Response Plan	\$5,100	x		x						
Habitat for Humanity of WI	Washington/ Dodge	Wisconsin Habitat Rescued Wood	\$25,000									
Milwaukee County (Parks)	Milwaukee	Tree Priority Zone Inventory and Sustainability Plan	\$25,000	x	x							
Racine (C)	Racine	EAB Treatment and Training	\$25,000			x			x			
Shorewood (V)	Milwaukee	Urban Forestry Management Program	\$2,500				x					

Grantee	County	Project Description	Award	Project Activities Not Eligible Under the Bill					Project Activities Eligible Under the Bill*			
				Education/ Outreach	Inventory	Training	Mgmt. Plan	EAB Plan	EAB Treatment	Planting	Removal	Pruning
Southwest Badger Resource Conservation and Development Council (Platteville)	Crawford, Grant, Green, Iowa, La Crosse, Lafayette, Richland, Sauk, and Vernon	Urban Tree Infrastructure: Education & Canopy Mapping	\$25,000	x								
Sustainable Atwood (Madison)	Dane	Urban Wood Material Streams	\$25,000	x								
Urban Ecology Center (Milwaukee)	Milwaukee	Centennial Arboretum Strategic Urban Forestry Plan	\$23,800									
Wauwatosa (C)	Milwaukee	EAB Preventative Treatment	\$25,000						x			
West Madison Senior Coalition, Inc	Dane	University Hill Farms Tree Inventory	\$25,000	x	x							
Zoological Society of Milwaukee County	Milwaukee	EAB Plan-Treatment and Education	\$7,300	x					x			
Total			\$483,700									
Percent of Projects Including Activity Type				50%	41%	22%	16%	6%	38%	47%	44%	22%

*Only in urban areas that have been damaged by disease, infestation, or catastrophic storm events.