



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #582

Private Forest Landowner Grant (Natural Resources -- Forestry and Stewardship)

[LFB 2023-25 Budget Summary: Page 443, #6]

CURRENT LAW

The Wisconsin private forest landowner grant program provides grants for the costs of developing and implementing forest stewardship management plans by owners of 500 acres or less of nonindustrial private forest land in the state. Management plans are required to contain practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic and environmental benefits that the forestland provides. DNR administers the program with grants up to 50% of project costs; by administrative rule, the state share of costs may be up to 75% and not to exceed \$10,000. Base funding of \$1,147,900 from the SEG forestry account is available for these grants each year.

DISCUSSION POINTS

1. Of the approximately 17.0 million acres of forestland in Wisconsin, 11.9 million (70%) are privately owned. Nearly half of privately owned forestland in Wisconsin is in properties less than 100 acres. Cooperation with small private forestland owners is important to the health of the state's forests. The private forest landowner grant program was created in 1997 Wisconsin Act 27, the 1997-99 biennial budget. The program was created to provide support to private forest landowners for projects and plans to protect and enhance the state's forests.

2. DNR gives priority for the grants to forest management plan development. Tree planting, and projects related to forest health improvement and soil and water protection receive second priority. All other eligible projects, including wetland protection and conservation, wildlife habitat enhancement, and endangered resource protection are lower priority, receiving whatever

funding remains after the top priority grants are funded. The grants provide a source of funding that DNR can use to encourage private landowners to conduct activities that improve forest health.

3. The private forest landowner grant has received between \$1,016,900 and \$1,567,100 in requests each year since 2016-17. The table shows grant requests and awards in each fiscal year since 2016-17.

Private Forest Landowner Grant Awards

<u>Fiscal Year</u>	<u>Requests</u>	<u>Awards</u>
2016-17	\$1,567,129	\$1,254,842
2017-18	1,200,187	1,054,606
2018-19	1,159,309	1,189,551
2019-20	1,387,532	1,090,799
2020-21	1,016,909	1,166,358
2021-22	1,108,851	1,108,851

4. DNR awards projects based on estimated costs and typically reimburses up to half of approved costs at the close of a project. DNR reimburses 60% of approved costs for grants related to forestry emergencies declared by the state forester. Occasionally, a grant application will request less than the total eligible cost share for a project. In these instances, DNR will typically award funding for the full eligible amount. As shown in the table, requests have exceeded awards by an average of \$95,800 each year between 2016-17 and 2021-22.

5. While DNR provides tentative project awards based on estimated costs, the Department reimburses projects based on actual costs. Therefore, the amount reimbursed may be higher than the initial amount awarded. DNR reports that the Department has been unable to fund, on average, \$310,000, each year when actual grant reimbursements are made. Assembly Bill 43/Senate Bill 70 would increase funding for these grants by \$310,000 SEG each year. The Committee could consider providing \$310,000 SEG to fully fund the private forest landowner grant [Alternative 1].

6. The Committee could consider providing other amounts. 2009 Wisconsin Act 28 reduced funding for these grants by \$569,100, from \$1,717,000 to \$1,147,900. The Committee could consider restoring this amount [Alternative 2]. As noted above, grant requests have not exceeded \$1,570,000 since 2016-17. Restoring funding to pre-2009 levels would allow DNR to fund all grant requests based on recent demand.

7. Since 2016-17, DNR has received an average of \$1,240,000 in grant applications annually. The Committee could provide an additional \$92,100 increasing funding for the program to \$1,240,000 each year [Alternative 3].

8. Under Chapter NR 47 of the administrative code, DNR may award grants for as much as 75%. However, the Department typically only awards grants for up to 50% of the project cost. The average grant request of \$1,240,000 noted above represents applications for 50% of the cost of eligible projects. Based on this amount, it would cost DNR an estimated \$1,860,000 to fund 75% of eligible

projects. The Committee could consider providing \$712,100 to allow DNR to provide grants for up to 75% of project costs, as authorized in chapter NR 47 [Alternative 4].

9. The Committee could take no action [Alternative 5]. DNR notes that in recent years, it has been able to supplement the private forest landowner grant appropriation with additional funding. In 2013-14 and 2014-15, DNR was able to supplement lower priority forest habitat enhancement grants with funds from the wild turkey stamp, required of state turkey hunters.

ALTERNATIVES

1. Provide \$310,000 forestry SEG annually to increase private forest landowner grant funding to \$1,457,900 each year.

ALT 1	Change to Base
SEG	\$620,000

2. Provide \$569,100 forestry SEG to increase private forest landowner grant funding to \$1,717,000 each year.

ALT 2	Change to Base
SEG	\$1,138,200

3. Provide \$92,100 forestry SEG to increase private forest landowner grant funding to \$1,261,300 each year.

ALT 3	Change to Base
SEG	\$184,200

4. Provide \$712,100 forestry SEG to increase private forest landowner grant funding to \$1,892,000 each year, allowing DNR to fund 75% of eligible project costs.

ALT 4	Change to Base
SEG	\$1,424,200

5. Take no action.

Prepared by: Eric R. Hepler