

# Natural Resources

## Forestry

(LFB Budget Summary Document: Page 487)

### **LFB Summary Items for Which an Issue Paper Has Been Prepared**

<u>Item #</u>	<u>Title</u>
--	Forestry Account Overview (Paper #540)
1	Forestry Mill Rate Reestimate and Reduction (Paper #541)
3	Hazardous Tree Removal (Paper #542)
4 & 5	Fire Suppression Services Funding and Overtime Costs (Paper #543)
10 & 12	County Sustainable Forestry, County Forest Administrator and County Forest Wildlife Habitat Grants (Paper #544)
11	Wisconsin Private Forest Landowner Grants (Paper #545)

### **LFB Summary Items Removed From Budget Consideration**

<u>Item #</u>	<u>Title</u>
2	Forestry Account Transfer to the Transportation Fund
6	Emergency Fire Warden Reimbursement
7	State Nursery Operations
8	Stream Crossing Inventory
18	Forestry Liaison
19	Managed Forest Law Fees
20	Forests Interpretive Program Fees





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Joint Committee on Finance

Paper #540

### **Forestry Account Overview (Natural Resources -- Forestry)**

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#### **CURRENT LAW**

The conservation fund is a segregated (SEG) trust fund used to finance many of the state's resource management programs administered by the Department of Natural Resources (DNR). The conservation fund is divided into 10 accounts, including the forestry account. The primary source of revenue to the account is a sum-sufficient transfer from the general fund equal to 0.1697 mill (16.97¢ per \$1,000) of the assessed property value in the state. The account supports the forestry functions of the Department.

#### **DISCUSSION POINTS**

##### **Account Revenues**

1. Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). 2017 Wisconsin Act 59 reduced the tax from 0.1697 mill (16.97¢ per \$1,000 of property value) to 0. 2017 Act 59 instead created a sum-sufficient GPR transfer to the forestry account to replace the revenue from the tax. This transfer is equal to 16.97¢ per \$1,000 of the assessed property value in the state, meaning the forestry account is to receive an identical amount from the GPR transfer as it would from the mill tax. In 2023-24, \$142,982,200 was transferred to the conservation fund, approximately 83% of all revenues to the forestry account. In 2024-25, the transfer will be \$153,988,300.

2. Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively managed county forests; (e) withdrawal payments from privately owned land enrolled in the forest crop law (FCL) and managed forest law (MFL) programs; and (f) a portion

of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license.

### **Account Expenditures**

3. In 2024-25, forestry account supports approximately 581 full-time equivalent staff positions to support a variety of activities. This includes approximately 565 DNR positions and the following programs: (a) the operations of 15 state forests; (b) tree nursery operations; (c) prevention, detection, and suppression of forest fires; (d) forest health and productivity, including administration of the MFL program and assistance to county forest administrators; (e) grants, loans, and payments to certain towns and private forest owners; (f) repayment of a portion of Warren Knowles-Gaylord Nelson Stewardship program debt; and (g) a portion of DNR administrative costs. In addition, the forestry account supports approximately 16 positions and certain costs of various other state agencies, including forest pest control by DATCP and land management operations of the Kickapoo Reserve Management Board and the Lower Wisconsin State Riverway Board.

4. Since 1997-98, the forestry account has been used to pay a portion of debt service associated with the stewardship program. This debt service has been budgeted at \$13.5 million annually since 2011-12. Additionally, 2021 Wisconsin Act 58, the 2021-23 biennial budget act, appropriated \$8 million from the forestry account for stewardship program land acquisition, including \$3 million for grants to counties to acquire forestland and \$5 million for DNR land acquisitions.

### **Account Condition**

5. The Attachment shows the condition of the forestry account through June 30, 2024, and the estimated condition through June 30, 2027. The Attachment estimates the condition of the forestry account in 2025-26 and 2026-27 under Joint Committee on Finance action to date, as well as items remaining under consideration by the Committee from Senate Bill 45/Assembly Bill 50. The account had an available balance of \$98.7 million on July 1, 2024. It is estimated to have an available balance of \$284.2 million under Committee action to date, and is estimated to have an available balance of \$194.5 million on July 1, 2027, under Committee action to date and assuming the adoption of items remaining under consideration from Senate Bill 45/Assembly Bill 50.

6. As shown in the Attachment, expenditures from the forestry account totaled \$157.9 million in 2023-24. In recent fiscal years, forestry account revenues have regularly been greater than expenditures. Under Committee action to date, estimated revenues would be greater than budgeted expenditures for both 2025-26 and 2026-27. Under Committee action to date and assuming the adoption of items remaining under consideration from SB 45/AB 50, revenues are estimated to be greater than budgeted expenditures for both 2025-26 and 2026-27, even with the adoption of a provision under SB 45/AB 50 that would reduce the mill tax transfer rate to 0.1406 mills for each dollar of the assessed value of property in the state (14.06¢ per \$1,000) beginning in 2025-26.

Prepared by: Jonathan Sandoval  
Attachment

# ATTACHMENT

## Forestry Account Condition

	2022-23 <u>Actual</u>	2023-24 <u>Actual</u>	2024-25 <u>Budgeted</u>	2024-25 Budgeted <u>Staff</u>	2025-26 <u>JFC to Date</u>	2026-27 <u>JFC to Date</u>	2026-27 <u>Staff</u>	2025-26 JFC to Date/Under <u>Consideration</u>	2026-27 JFC to Date/Under <u>Consideration</u>	2026-27 <u>Staff</u>
Opening Balance	\$85,988,400	\$117,290,900	\$132,060,100		\$188,100,400	\$249,603,300		\$188,100,400	\$204,609,400	
<b>Revenues</b>										
Mill Tax Transfer	\$126,439,600	\$142,982,200	\$153,988,300		\$165,992,400	\$173,104,200		\$137,528,200	\$143,420,500	
Timber Sales	9,371,300	10,999,900	10,999,900		11,010,900	11,021,900		11,010,900	11,021,900	
Campsite Fees	3,954,900	4,032,100	4,856,600		4,861,500	4,866,400		4,861,500	4,866,400	
Admission Stickers	4,409,800	4,925,300	4,925,300		4,930,200	4,935,100		4,930,200	4,935,100	
Other Revenues	<u>4,655,100</u>	<u>9,726,400</u>	<u>8,554,400</u>		<u>6,960,800</u>	<u>6,965,400</u>		<u>6,960,800</u>	<u>6,965,400</u>	
Total Revenues	\$148,830,700	\$172,665,900	\$183,324,500		\$193,755,800	\$200,893,000		\$165,291,600	\$171,209,300	
Available Balance	\$234,819,100	\$289,956,800	\$315,384,600		\$381,856,200	\$450,496,300		\$353,392,000	\$375,818,700	
<b>Expenditures</b>										
State Forestry Operations	\$53,437,600	\$58,375,500	\$54,668,500	408.08	\$58,083,800	\$58,083,800	408.08	\$61,343,100	\$61,084,700	408.08
Southern Forest Operations	5,962,400	5,867,800	5,770,600	35.45	5,977,100	5,977,100	35.45	7,112,400	7,073,700	35.45
Stewardship Program	15,299,400	21,500,000	21,500,000		21,500,000	21,500,000		21,500,000	22,500,000	
County Forest and Forest Tax Law	5,469,600	5,642,300	7,199,500		7,199,500	7,199,500		7,699,500	7,699,500	
Forestry Grants	2,037,000	1,771,600	2,407,700		2,407,700	2,407,700		2,787,700	2,787,700	
Fish, Wildlife, and Parks Program Operations								2,366,500	2,167,500	6.00
2023 Act 19 One-Time Transfer to the Fish and Wildlife Account		25,000,000								
Other Expenditures	<u>5,907,100</u>	<u>6,436,800</u>	<u>2,476,600</u>		<u>2,487,400</u>	<u>2,487,400</u>		<u>9,532,500</u>	<u>8,757,500</u>	
Subtotal	\$88,113,100	\$124,594,000	\$94,022,900	443.53	\$97,655,500	\$97,655,500	443.53	\$112,341,700	\$112,070,600	449.53
<b>Split-Funded Appropriations</b>										
Internal Services	\$6,619,300	\$7,482,600	\$7,108,100	45.10	\$7,883,400	\$7,883,400	45.10	\$8,832,700	\$8,165,300	45.10
External Services	1,636,500	2,018,400	1,638,300	12.33	1,730,700	1,730,700	12.33	1,739,100	1,739,100	12.33
Land Program Management	109,500	134,200	85,600	0.54	90,200	90,200	0.54	86,000	86,000	0.54
Law Enforcement	1,345,800	1,803,000	1,617,100	10.72	1,914,700	1,914,700	10.72	2,163,400	2,118,700	10.72
Facilities, Lands, and Property Management	4,974,000	5,961,400	6,199,300	47.77	6,461,300	6,461,300	47.77	6,604,800	6,604,800	47.77
Natural Heritage Conservation	603,200	691,700	691,800	5.26	745,600	745,600	5.26	745,600	745,600	5.26
Administrative Facility Repair and Debt Service	680,700	809,300	3,362,500		3,097,700	3,326,400		3,097,700	3,326,400	
Aids in Lieu of Taxes	6,442,400	6,420,700	6,881,900		6,881,900	6,881,900		6,881,800	6,881,800	
Resource Acquisition and Development	2,062,100	2,614,400	813,300		813,300	813,300		1,060,500	1,060,500	
Rent and Property Maintenance	1,353,200	1,558,100	1,492,900		1,477,300	1,483,500		1,477,300	1,483,500	
Taxes and Assessments	700	10,900	32,700		32,700	32,700		32,700	32,700	
Reservation Fees	<u>590,000</u>	<u>664,400</u>	<u>291,200</u>		<u>291,200</u>	<u>291,200</u>		<u>291,200</u>	<u>291,200</u>	
Subtotal	\$26,417,400	\$30,169,100	\$30,214,700	121.72	\$31,420,000	\$31,654,900	121.72	\$33,012,800	\$32,535,600	121.72

	2022-23 <u>Actual</u>	2023-24 <u>Actual</u>	2024-25 <u>Budgeted</u>	2024-25 Budgeted <u>Staff</u>	2025-26 <u>JFC to Date</u>	2026-27 <u>JFC to Date</u>	2026-27 <u>Staff</u>	2025-26 JFC to Date/Under <u>Consideration</u>	2026-27 JFC to Date/Under <u>Consideration</u>	2026-27 <u>Staff</u>
<b>Other Agency Appropriations</b>										
Subtotal	\$2,997,700	\$3,133,600	\$3,046,600	15.92	\$3,177,400	\$3,177,900	15.88	\$3,428,100	\$3,428,600	15.88
Total Expenditures	\$117,528,200	\$157,896,700	\$127,284,200	581.17	\$132,252,900	\$132,488,300	581.13	\$148,782,600	\$148,034,800	587.13
Closing Cash Balance	\$117,290,900	\$132,060,100	\$188,100,400		\$249,603,300	\$318,008,000		\$204,609,400	\$227,783,900	
Encumbrances and Continuing Balances	\$21,628,800	\$33,310,900	\$33,310,900		\$33,310,900	\$33,310,900		\$33,310,900	\$33,310,900	
Available Balance	\$95,662,100	\$98,749,200	\$154,789,500		\$216,292,400	\$284,697,100		\$171,298,500	\$194,473,000	



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Joint Committee on Finance

Paper #541

### **Forestry Mill Rate Reestimate and Reduction (Natural Resources -- Forestry and Shared Revenue and Tax Relief -- Forestry Mill Rate)**

[LFB 2025-27 Budget Summary: Page 487, #1 and Page 639, #2]

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#### **CURRENT LAW**

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). 2017 Wisconsin Act 59 reduced the tax from 0.1697 mill (16.97¢ per \$1,000 of property value) to 0. 2017 Act 59 instead created a sum-sufficient GPR transfer to the forestry account of the segregated (SEG) conservation fund to replace the revenue from the tax. This transfer is equal to 16.97¢ per \$1,000 of the assessed property value in the state, meaning the forestry account is to receive an identical amount from the GPR transfer as it would from the mill tax.

#### **DISCUSSION POINTS**

1. Table 1 provides the amount for the mill rate transfer to the forestry account from 2018-19 through 2024-25. Table 1 shows that the mill rate transfer increased an average of 8% each year in that time period.

**TABLE 1****Forestry Mill Tax Rate Transfer**

<u>Fiscal Year</u>	<u>Amount</u>	<u>Year over Year Change</u>
2018-19	\$93,255,700	4%
2019-20	98,574,100	6
2020-21	104,049,300	6
2021-22	111,123,000	7
2022-23	126,453,900	14
2023-24	142,998,300	13
2024-25	153,988,300	8

2. As discussed in Paper #540, forestry account revenues have regularly been greater than expenditures in recent years. Table 2 shows the amount of forestry account revenues and expenditures since 2018-19. The difference between the amount of revenues and expenditures has increased every year since 2018-19, except for in 2023-24 due to a \$25.0 million one-time transfer to the fish and wildlife account.

**TABLE 2****Forestry Account Revenues and Expenditures (in Millions)**

	<u>Revenue</u>	<u>Expenditures</u>	<u>Difference</u>
2018-19	\$112.7	\$108.3	\$4.4
2019-20	116.5	110.1	6.4
2020-21	125.2	113.3	11.9
2021-22	134.9	112.6	22.3
2022-23	148.8	117.5	31.3
2023-24	172.7	157.9	14.8
2024-25 <sup>1</sup>	183.3	127.3	56.0
2025-26 <sup>1</sup>	193.8	132.3	61.5
2026-27 <sup>1</sup>	200.9	132.5	68.4

<sup>1</sup> Estimated amounts

Source: DNR annual financial statements

3. In action under Paper #106, the Committee reestimated the current law mill tax rate transfer to the forestry account by \$29,057,600 in 2025-26 and \$36,169,400 in 2026-27, to \$165,992,400 and \$173,104,200 in total, respectively. Figures are based on an estimate of approximately \$978.2 billion in 2025-26 and \$1,020 billion in 2026-27 in equalized assessed property value in Wisconsin. Senate Bill 45/Assembly Bill 50 would further reduce the forestry mill tax transfer rate to 0.1406 mills for each dollar of the assessed valuation of taxable property in the state (14.06¢ per \$1,000) beginning in 2025-26. The Administration reports that the 0.1406 mill rate was



chosen as the figure that would have resulted in an approximately 5% increase each year to the transfer since the 2021-22 property tax year.

4. Due to significant balances accumulating in the forestry account under the current transfer formula, the Committee could consider reducing the forestry mill tax rate to 0.1406 mill for each dollar of the assessed valuation of taxable property in the state (14.06¢ per \$1,000) beginning in 2025-26. The provision would further reestimate mill tax rate transfer amounts by -\$28,464,200 in 2025-26 and -\$29,683,700 in 2026-27 to \$137,528,200 and \$143,420,500 in total, respectively [Alternative 1].

5. The forestry account had an available balance of \$98.7 million on July 1, 2024. It is estimated to have an available balance of \$284.2 million under Committee action to date. It is estimated to have an available balance of \$194.5 million on July 1, 2027, under Committee action to date, and assuming the adoption of items remaining under consideration from SB 45/AB 50, including the reduction in the mill tax transfer rate. Under the latter scenario, revenues are estimated to be greater than budgeted expenditures by \$16,509,000 in 2025-26 and \$23,174,700 in 2026-27.

6. Since the forestry account would still be estimated to have more revenues than budgeted expenditures in the 2025-27 biennium with a reduction of the forestry mill tax rate to 0.1406 mill, the Committee could consider reducing the forestry mill tax rate to 0.125 mill for each dollar of the assessed valuation of taxable property in the state (12.5¢ per \$1,000) beginning in 2025-26 [Alternative 2]. This would further reestimate mill tax rate transfer amounts by -\$43,723,400 in 2025-26 and -\$45,596,600 in 2026-27 to account for the reduction in the mill tax rate, to \$122,269,000 and \$127,507,600 in total, respectively. Although base revenues would be less than budgeted expenditures in the biennium, it would be projected that continued growth in state equalized property values would maintain stability in the account's condition.

7. The Committee could take no action [Alternative 3]. This would result in continued increasing balances for the forestry account.

## ALTERNATIVES

1. Reduce the forestry mill tax rate to 0.1406 mill for each dollar of the assessed valuation of taxable property in the state (14.06¢ per \$1,000) beginning in 2025-26. Reestimate mill tax rate transfer amounts by -\$28,464,200 in 2025-26 and -\$29,683,700 in 2026-27 to account for the reduction in the mill tax rate, to \$137,528,200 in 2025-26 and \$143,420,500 in 2026-27.

ALT 1	Change to Base
GPR	- \$58,147,900
SEG-REV	- \$58,147,900

2. Reduce the forestry mill tax rate to 0.125 mill for each dollar of the assessed valuation of taxable property in the state (12.5¢ per \$1,000) beginning in 2025-26. Reestimate mill tax rate

transfer amounts by -\$43,723,400 in 2025-26 and -\$45,596,600 in 2026-27 to account for the reduction in the mill tax rate, to \$122,269,000 in 2025-26 and \$127,507,600 in 2026-27.

<b>ALT 2</b>	<b>Change to Base</b>
GPR	- \$89,320,000
SEG-REV	- \$89,320,000

3. Take no action.

Prepared by: Jonathan Sandoval



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Joint Committee on Finance

Paper #542

### **Hazardous Tree Removal (Natural Resources -- Forestry)**

[LFB 2025-27 Budget Summary: Page 488, #3]

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#### **CURRENT LAW**

By the statute, the Department of Natural Resources (DNR) must inspect designated areas, such as trails, campgrounds, and picnic areas, twice each year. The Department identifies and removes hazardous trees during these inspections. The DNR Bureau of Parks and Recreation Management, which includes the programs for parks, southern forests, and property management, does not have dedicated base funding for hazardous tree removal. Hazardous tree removal is currently performed on an ad hoc basis by the Department, depending on available funding or public safety needs.

#### **DISCUSSION POINTS**

1. The Department reports that the number of hazardous trees on DNR-owned recreational properties, including state parks, state trails, southern forests, recreation areas, and other properties, has increased over time. The increase has been the result of a combination of severe weather events, invasive species, such as the emerald ash borer and the spongy moth, and tree diseases, such as oak wilt. The spongy moth is a species that is native to Europe that is considered an invasive species in North America. The caterpillars of spongy moths feed on the leaves of trees and shrubs, which can result in their severe defoliation and potential death. The emerald ash borer is a species of wood-boring beetle from Asia that is considered an invasive species in North America. The emerald ash borer kills ash trees by eating the tissues under the bark. Oak wilt is caused by a fungus that grows through the infected tree's water conducting system, causing the tree to wilt and die. Oak wilt is introduced to an area by sap-feeding beetles that carry oak wilt spores to fresh wounds.

2. The Department indicates that the increased number of hazardous trees on DNR-owned properties has created a significant public safety hazard. Among other incidents nationally, in 2022,

two people camping in Price County near the Flambeau River were killed by falling tree. The Department estimates that its park managers are 65% to 75% behind on hazardous tree removal efforts. The Department reports that it is difficult to determine the exact number of hazardous trees at any given time across recreational properties. DNR reports that the volume of hazardous trees that need to be removed has exceeded the Department's current staffing and funding capacity. Further, the increase in visitation to DNR-owned recreational properties has increased the number of individuals who are potentially at risk of injury or death due to falling trees or branches. Falling trees or branches can also damage DNR or visitor property. Table 1 provides the number of visits to the state parks system from 2013 to 2024. Visitation rates increased during the COVID-19 pandemic and have stayed at a higher level than prior to the pandemic.

**TABLE 1**  
**State Parks System Visitation**

<u>Year</u>	<u>Total Visits</u>
2013	15,110,701
2014	15,133,691
2015	16,304,067
2016	17,460,007
2017	17,957,983
2018	17,062,623
2019	17,480,971
2020	20,698,941
2021	22,240,300
2022	19,637,549
2023	20,296,960
2024	20,039,865

3. Senate Bill 45/Assembly Bill 50 would provide \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties. The funding provided would include: (a) for project position salaries, \$203,900 in 2025-26 and \$271,800 in 2026-27; (b) for fringe benefits, \$177,800 in 2025-26 and \$210,900 in 2026-27; (c) \$302,800 annually for limited-term employee (LTE) salaries; and (d) \$1,382,000 annually for supplies and services. Amounts for LTEs and supplies and services would continue as base funding following the expiration of the project positions. Table 2 provides the costs funded by the provision. SB 45/AB 50 would further create an appropriation in the fish, wildlife, and parks program funded by the forestry account, where the forestry SEG amount for this provision, and the habitat strategy and planning system provision, would be provided from.

**TABLE 2****Hazardous Tree Removal Costs -- SB 45/AB 50**

	<u>2025-26</u>	<u>2026-27</u>
Tree Removal Contracts	\$1,257,000	\$1,257,000
Salary and Fringe for 4 Park Ranger Project Positions	178,400	237,900
Salary and Fringe for 2 Forester Project Positions	124,500	166,000
Salary and Fringe for 16 LTEs	381,600	381,600
LTE Crew Supplies	<u>125,000</u>	<u>125,000</u>
Total	\$2,066,500	\$2,167,500

4. The provision would fund contracting costs to remove hazardous trees that exceed the agency's internal technical capabilities or equipment, such as tree removals that require high lift or boom trucks. Table 3 below shows how the funding for contracting would be divided between recreational property types.

**TABLE 3****Contracting Funding by Recreational Property Type -- SB 45/AB 50**

	<u>Each Year</u>
State Parks Campsites	\$433,600
State Parks Trails	95,900
State Trails	257,000
Southern Forests Campsites	118,400
Southern Forests Trails	55,700
Northern Forests Campsites	141,900
Northern Forests Trails	142,500
Flowage Campsites	6,100
Flowage Trails	<u>5,900</u>
Total	\$1,257,000

5. The provision would provide funding for 16 LTE positions to create specialized crews to manage hazardous tree removal on recreational properties. The Department reports that creating specialized crews to manage hazardous tree removal would be more efficient than the current ad hoc hazardous tree removal process, which diverts staff from their core responsibilities. The 4.0 ranger project positions' duties would include coordinating contract administration for tree inventories and removals, as well as serving as crew leaders for the LTE crews. The 2.0 forester project positions would perform hazardous tree removal and restoration efforts. The Department indicates that it does not expect to need the project positions beyond four years, because it expects to work through the backlog during that time period and the ongoing LTE and contracting funding to be sufficient to meet its needs going forward. The provision would also provide funding for supplies for the LTE crews, including helmets, chainsaws, pole saws, boots, log skidders, and other equipment.

6. The Committee could consider providing \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties. The Committee could further create an appropriation in the fish, wildlife, and parks program funded by the forestry account, where the forestry SEG amount for this provision would be provided from [Alternative 1]. The Committee could consider providing \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties, without creating an accompanying appropriation [Alternative 2].

7. The Department reports that it is difficult to determine the need for hazardous tree removal across its recreational properties due to the unpredictable and variable nature of hazardous trees. Therefore, the Committee could consider providing \$2,066,500 forestry SEG in 2025-26, including \$1,257,000 as one-time funding, and \$2,167,500 forestry SEG in 2026-27, including \$1,257,000 as one-time funding, and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties, which would provide funding for contracting costs on a one-time basis [Alternative 3]. The Department could determine its need for contracting services for hazardous tree removal and request further funding in future biennia.

8. Alternatively, the Committee could consider providing \$1,316,500 forestry SEG in 2025-26 and \$1,417,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties [Alternative 4]. This would include \$507,000 each year for contracting costs instead of \$1,257,000. The Department could request additional funding under s. 13.10 of the statutes later in the biennium if it determined that the funding was insufficient to meet its needs.

9. The Committee could also consider providing \$1,192,000 forestry SEG in 2025-26 and \$1,251,500 forestry SEG in 2026-27 and 4.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties [Alternative 5]. This would include \$507,000 each year for contracting costs instead of \$1,257,000 and the 4.0 four-year park ranger project positions and exclude the 2.0 forester project positions. Since the Department indicates that the 4.0 park ranger project positions would perform contract administration and serve as crew leaders for the LTEs, it may be difficult for the Department to create the program and work through the backlog of hazardous trees without these ranger positions. However, without the forester positions it may be difficult for the Department to perform restoration work after the removal of hazardous trees.

10. The Committee could take no action [Alternative 6]. This would require the Department to: (a) fund all hazardous tree removal from general operations funding, which could reduce funding for other areas; (b) continue to not remove all identified hazardous trees which could lead to injury, death, or property damage; or (c) temporarily close portions of DNR-owned recreational properties with a significant safety risk.

## **ALTERNATIVES**

1. Provide \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties.

Create an appropriation in the fish, wildlife, and parks program funded by the forestry account, where the forestry SEG amount for this provision would be provided from.

<b>ALT 1</b>	<b>Change to Base Funding</b>	<b>Positions</b>
SEG	\$4,234,000	6.00

2. Provide \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties. (Funding would be provided under an existing appropriation for forestry operations.)

<b>ALT 2</b>	<b>Change to Base Funding</b>	<b>Positions</b>
SEG	\$4,234,000	6.00

3. Provide \$2,066,500 forestry SEG in 2025-26, including \$1,257,000 as one-time funding, and \$2,167,500 forestry SEG in 2026-27, including \$1,257,000 as one-time funding and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties.

<b>ALT 3</b>	<b>Change to Base Funding</b>	<b>Positions</b>
SEG	\$4,234,000	6.00

4. Provide \$1,316,500 forestry SEG in 2025-26 and \$1,417,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties.

<b>ALT 4</b>	<b>Change to Base Funding</b>	<b>Positions</b>
SEG	\$2,734,000	6.00

5. Provide \$1,192,000 forestry SEG in 2025-26 and \$1,251,500 forestry SEG in 2026-27 and 4.0 four-year project positions for hazardous tree removal on DNR-owned recreational properties.

<b>ALT 5</b>	<b>Change to Base Funding</b>	<b>Positions</b>
SEG	\$2,443,500	4.00

6. Take no action.

Prepared by: Jonathan Sandoval







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Joint Committee on Finance

Paper #543

### **Fire Suppression Services Funding and Overtime (Natural Resources -- Forestry)**

[LFB 2025-27 Budget Summary: Page 488, #4 & 5]

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#### **CURRENT LAW**

The Department of Natural Resources (DNR) has broad authority to prevent, detect, and suppress forest fires. DNR utilizes funding to establish and maintain ranger stations, conduct aerial surveying, maintain fire suppression and communications equipment, and provide fire education and law enforcement activities. DNR's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many southern counties. The forest fire control program also provides cooperative services to towns in those southern counties where wooded lands are more scattered. In addition, DNR also relies on local fire departments as needed for additional wildfire suppression support.

#### **DISCUSSION POINTS**

1. Table 1 provides the incidence of wildfires in Wisconsin from 2012 through 2024. The incidence of wildfires in Wisconsin has increased over time. From 2012 through 2020, an average of 832 wildfires occurred per year, while from 2021 through 2024 an average of 1,054 wildfires occurred. The costs to DNR for suppressing wildfires have also increased over time. From 2012 through 2020 wildfire suppression cost DNR an average of \$587,500 per year, while from 2021 through 2024 wildfire suppression cost DNR an average of \$1,107,300 per year.

**TABLE 1****Wisconsin Wildfire Incidence**

<u>Calendar Year</u>	<u>Number of Wildfires</u>	<u>Acres Burned</u>	<u>DNR Cost</u>
2012	1,497	2,824	\$1,279,800
2013	685	9,110	1,071,000
2014	597	2,743	329,200
2015	1,004	2,787	774,300
2016	686	628	312,500
2017	687	623	273,300
2018	844	1,928	470,800
2019	708	1,223	299,600
2020	782	1,630	477,300
2021	1,086	2,582	869,900
2022	923	893	582,300
2023	1,073	4,816	1,793,300
2024	1,135	2,528	1,183,500

2. 2023 Wisconsin Act 19 reduced the supplies and services allotment for the state forestry operations appropriation by \$675,200 each year as part of an overall reduction to agency general operations funding. The Department reports that inflation and the reduction to its supplies and services allotment have impacted its ability to fund fire suppression services, which includes paying overtime costs, purchasing equipment, training employees, and supporting contractual services. The Department further reports that current funding amounts could impact its obligation to protect the citizens and property of Wisconsin.

**A. Fire Suppression Services Funding**

3. Senate Bill 45/Assembly Bill 50 would provide \$1,638,800 forestry SEG in 2025-26 and \$1,480,400 forestry SEG in 2026-27 for costs related to DNR wildfire suppression and prescribed burn efforts. The costs related to DNR wildfire suppression and prescribed burn efforts the bill would provide funding for include: (a) \$700,000 each year for contracts for single-engine air tanker firefighting services; (b) \$495,400 in 2025-26 and \$465,400 in 2026-27 for replacement and maintenance of DNR ground vehicles for firefighting; (c) \$190,000 each year for the modernization of DNR aircraft; (d) \$125,000 each year for the maintenance of DNR mobile and portable radios, a service that had been provided by the Department of Transportation (DOT) but is no longer available; (e) \$108,000 in 2025-26 for forward-looking infrared (FLIr) cameras to outfit existing DNR aircraft for aerial surveillance; (f) \$10,400 in 2025-26 for open water survival courses and updates to flight simulator software for DNR's 10 pilots; and (g) \$10,000 in 2025-26 for flight safety equipment for DNR aircraft, such as life rafts, life jackets, and signal guns.

4. DNR reports that its contract for single-engine air tanker firefighting services increased in cost, from \$1,950 per day and \$1,650 per hour in 2021 through 2023 to \$2,940 per day and \$1,890 per hour in 2025, with continued increases per year through 2028, at approximately 5% per year for each rate. The Department utilizes general operations funding for its contract for firefighting single-

engine air tanker firefighting services, and determines funding while balancing these expenditures against other priorities. Table 2 provides expenditures related to these contracted services from 2017-18 through 2023-24.

**TABLE 2**  
**Contracting Costs for Single-Engine Air Tanker Firefighting Services**

<u>Fiscal Year</u>	<u>Amount</u>
2017-18	\$333,700
2018-19	252,800
2019-20	404,800
2020-21	488,600
2021-22	94,300
2022-23	176,000
2023-24	221,100

5. The Department has an inventory of 294 ground vehicles for firefighting of varying types. The Department utilizes general operations funding for the replacement and maintenance of its ground vehicles for firefighting. The Department reports that the average costs for a DNR fire control unit have increased from between 11% to 26% in the last decade. The Department further reports that ongoing costs for the rotating replacement and maintenance of 273 of its 294 ground vehicles would be \$588,200 each year, greater than the \$465,000 in ongoing amounts under the bill. The Department indicates that the difference in amounts is due to its recalculation of costs in 2025 compared to its calculation in 2024, which was used for the amount of funding provided under the bill.

6. The Department has access to an inventory of 11 aircraft that it uses for fire suppression purposes, including eight Cessna 182s, two Cessna 180s, and one Cessna 337. The Department utilizes general operations funding for the modernization of its aircraft. The Department would use the funding to replace two aircraft per year for five years, but does not plan to modernize its one Cessna 337. Table 3 provides the date of manufacture of the aircraft that DNR uses for fire suppression purposes.

**TABLE 3**  
**DNR Aircraft Inventory**

<u>Date of Manufacture</u>		<u>Date of Manufacture</u>	
Cessna 180	1968	Cessna 182	2006
Cessna 180	1976	Cessna 182	2007
Cessna 337	1976	Cessna 182	2009
Cessna 182	1979	Cessna 182	2011
Cessna 182	1980	Cessna 182	2024
Cessna 182	2005		

7. In January, 2023, the Governor issued Executive Order #184 relating to cybersecurity and prohibiting the use of certain foreign technologies. In February, 2024, the Department was informed its existing seven drones produced by Da Jiang Innovations must be decommissioned as they pose potential security threats. The Department seeks to replace its drone fleet by installing FLIR cameras approved for use by the U.S. Department of Homeland Security on five aircraft for aerial surveillance.

8. The Department's radio program collaborates with public safety partners across Wisconsin. 1999 Wisconsin Act 9 merged the DNR and DOT radio programs. However, in September of 2021, DOT informed DNR that it would no longer program and maintain DNR's portable and mobile radios. DNR radio program staff contracted with a third party to maintain the Forestry Division's inventory of 620 portable radios and 416 mobile radios for vehicles. The Department reports that costs related to the Forestry Division's radio infrastructure have increased by \$125,000 since 2020-21.

9. Considering the risks to public safety and to equipment operators in utilizing outdated fire suppression equipment, or having insufficient firefighting resources, additional funding for these purposes could be seen as appropriate. The Committee could consider providing \$1,638,800 forestry SEG in 2025-26 and \$1,480,400 forestry SEG in 2026-27 for costs related to DNR wildfire suppression and prescribed burn efforts [Alternative A1].

10. As shown in Table 2, the contracting costs for single-engine air tanker firefighting services averaged \$281,600 from 2017-18 and 2023-24, and under the new contract terms it expended \$221,100 in 2023-24. Therefore, the Committee could consider providing \$1,220,400 forestry SEG in 2025-26 and \$1,062,000 forestry SEG in 2026-27 for costs related to DNR wildfire suppression and prescribed burn efforts, which would provide \$281,600 each year for contracting costs [Alternative A2]. To give the Department further time to ascertain its needs relating to wildfire suppression and prescribed burn efforts, the Committee could consider providing the amounts in the preceding alternative on a one-time basis [Alternative A3].

11. Table 4 summarizes the preceding alternatives for fire suppression services funding.

**TABLE 4**

**Fire Suppression Services Funding Alternatives**

	<u>Alternative A1</u>		<u>Alternatives A2 and A3</u>	
	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
Aircraft Contract Costs	\$700,000	\$700,000	\$281,600	\$281,600
Replacement and Maintenance of Ground Vehicles	495,400	465,400	495,400	465,400
Aircraft Modernization	190,000	190,000	190,000	190,000
Radio Communications Program Maintenance	125,000	125,000	125,000	125,000
FLIR Cameras	108,000		108,000	
Flight Safety Training and Simulator Update	10,400		10,400	
Flight Safety Equipment	<u>10,000</u>	<u></u>	<u>10,000</u>	<u></u>
Total	\$1,638,800	\$1,480,400	\$1,220,400	\$1,062,000

12. The Committee could take no action relating to fire suppression services funding [Alternative A4]. The Department would be required to absorb increasing fire suppression services costs with its general operations funding, which could impact the ability of DNR to balance ongoing forestry operations costs with other needs associated with wildfires.

### **B. Fire Suppression Services Overtime**

13. SB 45/AB 50 would provide \$493,500 forestry SEG each year in additional funding for overtime costs associated with DNR fire suppression services. Table 5 provides overtime expenditures relating to, and base funding for, fire suppression services overtime. The Department is provided base funding for overtime costs associated with DNR fire suppression services; however, expenditures were greater than base funding by \$491,600 on average from 2019-20 through 2022-23, the amount that the Administration used to determine funding under the bill. The Department is required to absorb amounts greater than base funding in its general operations funding.

**TABLE 5**

#### **Fire Suppression Services Overtime Expenditures**

<u>Fiscal Year</u>	<u>Overtime Expenditures</u>	<u>Base Funding</u>	<u>Difference</u>
2019-20	\$1,183,300	\$792,000	\$391,300
2020-21	1,540,000	793,400	746,600
2021-22	1,029,300	793,400	235,900
2022-23	1,384,900	792,300	592,600
2023-24	1,395,500	792,300	603,200
2024-25 <sup>1</sup>	1,539,900	792,300	747,600

<sup>1</sup> Through May, 2025.

14. The Committee could consider providing \$493,500 forestry SEG each year in additional funding for overtime costs associated with DNR fire suppression services [Alternative B1]. However, as shown in the table above, when taking 2023-24 and 2024-25 through May, 2025, into account, the average overtime cost expenditures related to fire suppression services were greater than base funding by \$552,900 on average from 2019-20 through 2024-25. Therefore, the Committee could consider providing \$560,000 forestry SEG each year in additional funding for overtime costs associated with DNR fire suppression services [Alternative B2]. This amount assumes that the Department's overtime costs related to fire suppression services would continue to accumulate in June of 2025, which would increase the average from 2019-20 through 2024-25.

15. The Committee could take no action relating to fire suppression services overtime [Alternative B3]. The Department would be required to absorb overtime costs associated with fire suppression services costs with its general operations funding. It cannot be determined to what extent overtime costs exceeding base allotments could impact the ability of DNR to respond to wildfires.

## ALTERNATIVES

### A. Fire Suppression Services Funding

1. Provide \$1,638,800 forestry SEG in 2025-26 and \$1,480,400 forestry SEG in 2026-27 for costs related to DNR wildfire suppression and prescribed burn efforts.

ALT A1	Change to Base
SEG	\$3,119,200

2. Provide \$1,220,400 forestry SEG in 2025-26 and \$1,062,000 forestry SEG in 2026-27 for costs related to DNR wildfire suppression and prescribed burn efforts.

ALT A2	Change to Base
SEG	\$2,282,400

3. Provide \$1,220,400 forestry SEG in 2025-26 and \$1,062,000 forestry SEG in 2026-27 on a one-time basis for costs related to DNR wildfire suppression and prescribed burn efforts.

ALT A3	Change to Base
SEG	\$2,282,400

4. Take no action.

### B. Fire Suppression Services Overtime

1. Provide \$493,500 forestry SEG annually in additional funding for overtime costs associated with DNR fire suppression services.

ALT B1	Change to Base
SEG	\$987,000

2. Provide \$560,000 forestry SEG annually in additional funding for overtime costs associated with DNR fire suppression services.

ALT B2	Change to Base
SEG	\$1,120,000

3. Take no action.

Prepared by: Jonathan Sandoval



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Joint Committee on Finance

Paper #544

### **County Sustainable Forestry, County Forest Administrator, and County Forest Wildlife Habitat Grants (Natural Resources -- Forestry)**

[LFB 2025-27 Budget Summary: Page 490 & 491, #10 & 12]

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#### **CURRENT LAW**

The Department of Natural Resources (DNR) provides grants to counties with forests enrolled in the county forest program to encourage the implementation of sustainable forestry practices. Additionally, DNR provides grants to counties with county forest land for up to 50% of the salary and fringe benefit costs of a county forest administrator or assistant forest administrator, with a maximum eligible fringe rate of 40% of salary. Both grants are paid from a single biennial appropriation from the forestry account of the segregated (SEG) conservation fund, with base funding of \$1,863,900 forestry SEG each year. Within the appropriation, DNR sets funding allocations of \$1,485,900 each year for county forest administrator grants and \$378,000 each year for county sustainable forestry grants. 2023 Wisconsin Act 19 provided \$50,000 each year in additional funding for county sustainable forestry grants and \$200,000 each year in additional funding for county forest administrator grants. However, county forest administrator grants are awarded first, meaning the amounts allocated by grant type vary by year.

DNR provides grants to counties for the development and planning of wildlife habitat and for outdoor recreational facilities on county forest lands through the county forest wildlife habitat grant. Statute allows for funding of habitat projects at 10¢ for each acre registered as county forest land per county; however, funds that remain unallocated as of March 31 of each year may be allotted to any county, as long as the total received does not exceed 20¢ per acre registered as county forest. County forest wildlife habitat grants are provided \$112,200 each year in base funding.

## DISCUSSION POINTS

1. Thirty counties have land enrolled in the county forest program under s. 28.10 of the statutes. In total, 2,410,400 acres are enrolled as county forest lands as of July 1, 2024. Section 28.11(5) of the statutes requires counties to work with DNR to establish a 15-year comprehensive land use plan for county forest land. Section 28.11(5)(b) of the statutes requires counties with land enrolled as county forests to complete an annual work plan with the assistance of a DNR forester. The plan is required to include a timber harvest schedule, a listing of forest management projects to be undertaken, and a budget showing estimated plan costs. DNR provides technical forestry assistance to counties, subject to agreement between the county and the Department, and consistent with the county's comprehensive forest plan.

### **A. County Sustainable Forestry and County Forest Administrator Grants**

2. In addition to DNR providing staff to assist with county forest management, county sustainable forestry grants and county forest administrator grants are intended to assist counties with the objectives of their county forest plans. County forest administrator grants were created in 1993 Wisconsin Act 16. County sustainable forestry grants were created in 2001 Wisconsin Act 16 to promote short-term sustainable forestry projects on county forest lands, including geographic information systems (GIS) mapping efforts, expediting backlogged timber sales, and forest improvement practices. Other uses of grants include invasive plant surveys, mapping roads and survey corners, and timber theft abatement efforts. Sustainable forestry is defined by s. 28.04(1)(e) of the statutes as "the practice of managing dynamic forest ecosystems to provide ecological, economic, social and cultural benefits for present and future generations."

3. County forest administrator grants contribute 50% of the salary and fringe benefit costs of a professional forester serving as a county forest administrator or assistant county forest administrator, assisting counties in ensuring that professional forestry expertise is available to manage county forest lands. Additionally, DNR may award up to \$50,000 from the county forest administrator grant program to counties for up to 50% of the county's dues to the Wisconsin County Forests Association.

4. County forest administrator grants provide up to half the cost of an eligible forest administrator's salary and fringe costs. Fringe benefits may be no more than 40% of the administrator's salary. The county forest administrator grant is funded through the same appropriation as the county sustainable forestry grant and receives priority during grant cycles each year. DNR pays the full amount due to counties under the administrator grant prior to paying the county sustainable forestry grant.

5. Under current law and administrative rules, DNR has the authority to prorate county forest administrator grants. However, if grant funding is insufficient to pay all eligible salaries and fringe expenses, DNR may first reduce expenditures on county sustainable forestry grants, as the grant programs are in a single appropriation. DNR has historically taken this approach and reduced county sustainable forestry grants. Table 1 shows grants awarded under the two programs since 2013-14.



**TABLE 1****County Sustainable Forestry and County Forest Administrator Grants Expenditures**

<u>Fiscal Year</u>	<u>Sustainable Forestry Grant</u>	<u>Forest Administrator Grant</u>	<u>Total</u>
2013-14	\$381,900	\$1,235,800	\$1,617,700
2014-15	279,200	1,276,600	1,555,800
2015-16	380,400	1,272,000	1,652,400
2016-17	258,300	1,278,900	1,537,200
2017-18	242,800	1,201,300	1,444,100
2018-19	212,500	1,421,100	1,633,600
2019-20	132,100	1,344,200	1,476,300
2020-21	370,500	1,475,900	1,846,400
2021-22	186,900	1,335,300	1,522,200
2022-23	143,300	1,576,900	1,720,200
2023-24	215,700	1,630,100	1,845,800

6. Table 2 shows grant awards for county forest administrator grants, the amount allocated for the appropriation, and the amount left for county sustainable forestry grants. Even with increases to the appropriation, the amount of funding left for county sustainable forestry grants has decreased over time, from a high of \$276,400 in 2017-18. Awards in Table 2 and actual expenditures in Table 1 may not align due to: (a) expenditures occurring in a fiscal year after the grant award; and (b) the biennial appropriation for the grants carrying funds to the second year of a biennium.

**TABLE 2****County Forest Administrator Grants**

<u>Fiscal Year</u>	<u>Awards</u>	<u>Appropriation Amount</u>	<u>Amount Left for Sustainable Forestry Grants</u>
2015-16	\$1,272,000	\$1,526,900	\$254,900
2016-17	1,278,900	1,526,900	248,000
2017-18	1,250,500	1,526,900	276,400
2018-19	1,371,900	1,526,900	155,000
2019-20	1,344,200	1,613,900	269,700
2020-21	1,475,900	1,613,900	138,000
2021-22	1,471,100	1,613,900	142,800
2022-23	1,544,900	1,613,900	69,000
2023-24	1,651,200	1,863,900	212,700
2024-25	1,723,800	1,863,900	140,100

7. County sustainable forestry grants provide funding to counties with enrolled county forest land for activities and projects that support ecological, economic, and social benefits of forestry. The minimum grant amount that may be awarded is \$1,000 and no single grant may account for more than one-quarter of the available funding amount in any given year. In recent years, grants have been

used to undertake projects including reforestation, oak wilt control, invasive species inventory and management, access road improvement, and surveillance equipment acquisition and installation. Grants may not be used to fund land acquisition, salaries or benefits for permanent staff, land surveying, or computer equipment.

8. DNR has been unable to consistently award the allotted funding levels to county sustainable forestry grants. Table 3 shows the difference between requests and awarded amounts by fiscal year since 2014-15. As shown in the table, the amount awarded each year has declined as DNR has reduced funding to accommodate county forest administrator grants. Since 2018-19, DNR has been able to fund 46% of grant requests.

**TABLE 3**

**County Sustainable Forestry Grants**

<u>Fiscal Year</u>	<u>Requests</u>	<u>Awards</u>	<u>Difference</u>	<u>Percent Funded</u>
2014-15	\$443,200	\$393,100	\$50,100	89%
2015-16	372,900	238,900	134,000	64
2016-17	306,100	247,900	58,200	81
2017-18	342,500	237,900	104,600	69
2018-19	360,400	289,100	71,300	80
2019-20	780,600	250,400	530,200	32
2020-21	258,000	158,200	99,800	61
2021-22	251,400	142,700	108,700	57
2022-23	244,900	173,000	71,900	71
2023-24	368,300	233,800	134,500	63
2024-25	647,700	105,000	542,700	16

9. It should be noted that the amounts shown in Table 3 reflect the amounts awarded, and not expenditures. Under the program, DNR sets an application deadline after which the Department reviews applications and announces tentative awards for eligible applicants. DNR will generally pay half the award amount prior to a project and pay the remaining grant amount after a project is completed and grant awardees have submitted audited statements of final project costs. Table 2 shows the preliminary amounts awarded in each year while Table 1 shows the actual expenditures after project completion.

10. Senate Bill 45/Assembly Bill 50 would provide \$500,000 forestry SEG each year in additional funding for county sustainable forestry and county forest administrator grants. The Department indicates that it would change its policy to set funding allocations to \$1,735,900 annually for county forest administrator grants and \$628,000 annually for county sustainable forestry grants, an increase of \$250,000 each year for each grant. The Department reports that the additional amount of \$250,000 each year for both grants was based on a request made by the Wisconsin County Forests Association. The Wisconsin County Forests Association contends that increasing salary and fringe benefits costs for county forest administrators merits an increase in funding. The Committee could consider providing \$500,000 forestry SEG each year in additional funding for county sustainable forestry and county forest administrator grants [Alternative A1].

11. In 2023-24 and 2024-25, the total average amount awarded for county forest administrator grants was \$1,687,500. Based on this amount, to provide the current policy allocation amount for county sustainable forestry grants (\$378,000) it would require an increase of \$201,600 each year in funding for the appropriation. County forest administrator grants have increased by an average of 3.5% each year from 2016-17 through 2024-25. To account for expected increases to salary and fringe benefits costs (\$59,100 in 2025-26 and \$120,200 in 2026-27) and to provide sufficient funding for the current policy allocation amount for county sustainable forestry grants (\$201,600), the Committee could consider providing \$260,700 forestry SEG in 2025-26 and \$321,800 forestry SEG in 2026-27 in additional funding for county sustainable forestry and county forest administrator grants [Alternative A2].

12. The Committee could take no action [Alternative A3]. DNR would continue to fund county forest administrator grants by reducing the amount available for county sustainable forestry grants.

## **B. County Forest Wildlife Habitat Grant**

13. The Department awards county forest wildlife habitat grants for wildlife habitat improvements, development, maintenance, and planning on county forest land and for wildlife management activities in a county's comprehensive land use plan for county forest land. Grants are used for projects such as: (a) the purchase of tree seeds and seedlings for forest regeneration; (b) the installing gates and signage; (c) the treatment of invasive species; and (d) the stocking of fish.

14. County forest wildlife habitat grants are automatically distributed to each county based on the percentage of overall county forest acres it has and the amount of funding available. Although statutes allow for the Department to provide 10¢ for each acre, the Department is only able to provide 4.6¢ for each acre registered as county forest land per county due to the amount of funding available. Table 4 shows the amount of funding that would be required to provide 10¢ for each acre registered as county forest land.

**TABLE 4**

### **County Forest Wildlife Habitat Grants**

<u>Fiscal year</u>	<u>County Forest Acres</u>	<u>Eligible Amount</u>	<u>Appropriation Amount</u>	<u>Additional Amount to Fund 10¢ Rate</u>
2014-15	2,378,429	\$237,800	\$112,200	\$125,600
2015-16	2,392,045	239,200	112,200	127,000
2016-17	2,393,746	239,400	112,200	127,200
2017-18	2,395,384	239,500	112,200	127,300
2018-19	2,400,916	240,100	112,200	127,900
2019-20	2,402,274	240,200	112,200	128,000
2020-21	2,405,155	240,500	112,200	128,300
2021-22	2,405,015	240,500	112,200	128,300
2022-23	2,404,122	240,400	112,200	128,200
2023-24	2,408,388	240,800	112,200	128,600

15. SB 45/AB 50 would provide \$130,000 forestry SEG each year in additional funding for the county forest wildlife habitat grant program. The Department reports that few projects can be funded with the current prorated amounts that are provided to county forests. As a result, the maintenance of wildlife projects or habitats must be performed at a slower pace, and certain projects such as elk habitat creation, barrens and oak savannah restoration, and walking trail rehabilitation and construction cannot be performed. The Committee could consider providing \$130,000 forestry SEG each year in additional funding for the county forest wildlife habitat grant program [Alternative B1].

16. 1995 Wisconsin Act 27 increased the funding amount for county forest wildlife habitat grants from 5¢ to 10¢ for each acre registered as county forest land per county. According to the U.S. Bureau of Labor Statistics, accounting for inflation from 1995 to 2025, an equivalent funding amount would be 21¢ in 2025. To account for inflation, the Committee could consider increasing the statutory funding amount from 10¢ and 21¢ for each acre registered as county forest land and providing \$393,600 forestry SEG each year in additional funding for the county forest wildlife habitat grant program [Alternative B2].

17. The Committee could consider taking no action relating to county forest wildlife habitat grants [Alternative B3]. DNR would continue to prorate county forest wildlife habitat grants.

## ALTERNATIVES

### A. County Sustainable Forestry and County Forest Administrator Grants

1. Provide \$500,000 forestry SEG each year in additional funding for county sustainable forestry and county forest administrator grants.

ALT A1	Change to Base
SEG	\$1,000,000

2. Provide \$260,700 forestry SEG in 2025-26 and \$321,800 forestry SEG in 2026-27 in additional funding for county sustainable forestry and county forest administrator grants.

ALT A2	Change to Base
SEG	\$582,500

3. Take no action.

### B. County Forest Wildlife Habitat Grant

1. Provide \$130,000 forestry SEG each year in additional funding for the county forest wildlife habitat grant program.

ALT B1	Change to Base
SEG	\$260,000

2. Provide \$393,600 forestry SEG each year in additional funding for the county forest wildlife habitat grant program. Amend s. 23.09(17m)(b) of the statutes to change the maximum allocation for a county to 21¢ per acre of enrolled county forest.

ALT B2	Change to Base
SEG	\$787,200

3. Take no action.

Prepared by: Jonathan Sandoval





## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #545

### Wisconsin Private Forest Landowner Grants (Natural Resources -- Forestry)

[LFB 2025-27 Budget Summary: Page 491, #11]

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#### 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 at least 10 contiguous acres but not more than 500 acres of nonindustrial private forestland 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 that reimburse 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 SEG each year from the forestry account of the conservation fund is provided for these grants in a biennial appropriation. 2009 Wisconsin Act 28, the 2009-11 biennial budget act, reduced the base funding for these grants from \$1,710,000 to the current law amount.

#### DISCUSSION POINTS

1. Of the approximately 17.0 million acres of forestland in Wisconsin, 11.4 million acres, or 67%, are privately owned, with family forest owners owning 9.7 million acres. 53% of forestland owned by family forest owners is in ownerships less than 100 acres. State cooperation with small private forestland owners is important to the health of Wisconsin's forests. 1997 Wisconsin Act 27, the 1997-99 biennial budget act, created the private forest landowner grant program to provide support to private forest landowners for projects and plans to protect and enhance the state's forests. 2007 Wisconsin Act 20, the 2007-2009 biennial budget act, expanded the grant program to include the weed management area grant program to provide grants for projects to control invasive plants in weed

management areas. Section 26.38(2m)(am) of the statutes requires that the Department allocate at least \$60,000 of the appropriated amount to the weed management area grant program.

2. For private forest landowner grants, 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. For weed management area grants, eligible practices include: (a) educational, informational, and outreach activities; (b) coordinating a weed management group; (c) inventory of invasive plant species; (d) control of invasive plant species that impact nonindustrial private forest land; and (e) long-term management plan development. DNR provides grants for up to 75% of the eligible costs of projects.

4. The private forest landowner grant has received between \$1,076,900 and \$1,442,500 in grant requests total each year since 2019-20. The table shows grant requests and awards in each fiscal year since 2019-20 for forest landowner grants and weed management area growths.

#### **Private Forest Landowner and Weed Management Area Grant Awards**

	<u>Grant Awards</u>	<u>Total Awarded</u>	<u>Amount Applied for</u>
2019-20	407	\$1,145,769	\$1,442,502
2020-21	431	1,226,358	1,076,909
2021-22	441	1,166,243	1,166,243
2022-23	426	1,145,709	1,145,709
2023-24	332	1,106,964	1,106,964
2024-25	638	1,219,729	1,219,729

5. DNR awards projects based on estimated costs and typically reimburses up to half of approved costs at the close of a project. 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.

6. 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 there is currently an 11-month to 15-month waitlist for grants. In 2024-25, the Department provided an additional \$773,500 in private forest landowner grants with federal funding. In 2021-22 through 2024-25, the Department provided an average additional \$21,700 per year in weed management area grants with federal funding.

7. Senate Bill 45/Assembly Bill 50 would provide \$250,000 forestry SEG each year in additional funding for the appropriation that funds the private forest landowner and weed management



area grant programs. The Department reports that it would use the funding to provide further funding for the private forest landowner grant program. Due to the waitlist for grants, the Committee could consider providing \$250,000 forestry SEG each year in additional funding for the appropriation that funds the private forest landowner and weed management area grant programs [Alternative 1].

8. The average annual amount applied for in the private forest landowner and weed management area grant programs was \$1,193,000 from 2019-20 through 2024-25. The Committee could consider providing \$45,100 forestry SEG each year in additional funding for the appropriation that funds the private forest landowner and weed management area grant programs, equal to the difference between base funding and the average amount applied for [Alternative 2]. However, this amount would not account for the current waitlist of applicants and the difference between application amounts and project costs.

9. Under Chapter NR 47 of the administrative code, DNR may award private forest landowner grants for up to 75% of eligible project costs. However, the Department typically only awards grants for up to 50% of eligible project cost. From 2019-20 through 2024-25, the average amount of private forest landowner grant funding applied for was \$1,133,800, after accounting for requested weed management area grants included in the preceding table. Based on this amount, it would cost DNR an estimated \$1,700,700 to provide private forest landowner grants for 75% of eligible project costs. The Committee could consider providing \$552,800 forestry SEG each year in additional funding for the appropriation that funds the private forest landowner and weed management area grant programs [Alternative 3]. This would allow DNR to provide grants for up to 75% of eligible project costs, as authorized in Chapter NR 47.

10. The Committee could take no action [Alternative 4]. Although DNR does not supplement the private forest landowner or weed management area grants with other state funds, in some fiscal years it uses federal funds to provide additional grant awards when available and could continue to do this to address the waitlist for private forest landowner grants.

## ALTERNATIVES

1. Provide \$250,000 forestry SEG each year in additional funding for the private forest landowner and weed management area grant programs.

ALT 1	Change to Base
SEG	\$500,000

2. Provide \$45,100 forestry SEG each year in additional funding for the private forest landowner and weed management area grant programs.

ALT 2	Change to Base
SEG	\$90,200

3. Provide \$552,800 forestry SEG each year in additional funding for the private forest landowner and weed management area grant programs.

ALT 3	Change to Base
SEG	\$1,105,600

4. Take no action.

Prepared by: Jonathan Sandoval

## NATURAL RESOURCES

### Forestry

#### LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
9	Forestry Workforce and Education Programs
13	Forestry Industrywide Strategic Plan
14	WisFIRS Update
15	Forestry Software Licenses
16	Spongy Moth Treatment
17	Tick-Resistant Personal Protective Equipment