



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #666

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

[LFB 2001-03 Budget Summary: Page 481, #11]

CURRENT LAW

Under the urban forestry grant program, DNR awards grants to cities and villages for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects. Under DNR administrative rule, the minimum grant is \$1,000 and the maximum grant is \$25,000. Funding of \$529,900 is available annually. Of this amount, \$50,000 annually has been earmarked for the City of Milwaukee for a tree planting demonstration project on a one-time basis in both the 1997-99 and 1999-01 biennia.

GOVERNOR

Provide \$172,000 in 2001-02 and \$165,000 in 2002-03 from the forestry account to contract for urban forestry specialists to provide technical assistance, education, and training to communities in south central and northeast Wisconsin. In addition, expand eligibility for the urban forestry grant program to include counties, towns, and non-profit organizations.

DISCUSSION POINTS

1. In conjunction with the urban forestry grant program, DNR has six regional urban forestry coordinators and two federally funded limited-term employees that provide a variety of services to communities. These staff help local governments initiate forestry programs, administer grants, undertake public relations and educational efforts related to urban forestry, and provide

forestry technical and administrative support to groups participating in the program. The Department indicates that demand for staff services associated with the urban forestry grant program has increased by approximately 50%. Contracting for forestry technical support and educational services is intended to address this demand, particularly in the south central and northeast regions of the state, where there is currently the greatest demand. Funds would be used to contract for 4,000 hours of specialist support and 2,000 hours of program assistance. The specialists would focus on urban forest ecosystem management in the south central and northeast regions of the state, working in cooperation with DNR regional staff.

2. Direction to contract for services was provided by DOA in the interest of involving the private sector in these types of projects, and to potentially capitalize on the emerging supply of private forestry contractors. However, the funds provided under the bill to contract for 4,000 hours of specialist support and 2,000 hours of program assistance could instead be used to fund Department staff. Providing 2.0 foresters and 1.0 program assistant position would require \$129,200 in 2001-02 and \$157,000 in 2002-03 (a reduction of \$50,800 in the biennium compared to the bill).

3. In addition to the \$529,900 in forestry SEG available annually for urban forestry grants, DNR indicates that it makes additional federal funding (provided under a grant from the United States Forest Service) available. In fiscal year 1999-00, \$90,000 in federal funding was available for grants. DNR received 78 applications requesting a total of \$911,000 in funding. Of these, 46 applications (59%) were funded, and all funds were committed. In fiscal year 2000-01, \$87,800 in federal funding was available for grants (\$617,700 total). The Department received 77 applications requesting a total of \$887,700, and provided funding for 55 (71%) of those. All available funds were committed. The size of the grants ranged from \$2,700 to the Village of Readstown in Vernon County for tree and shrub planting to six communities each receiving the maximum allowable grant amount of \$25,000 (the Cities of Altoona, Evansville, Galesville, Merrill, and New Berlin, and the Village of Oak Creek). From this perspective, it may be argued that additional funds could be provided to meet grant demands as well as increasing forestry technical support. However, DNR did not request additional urban forestry grant funds in its 2001-03 budget request.

4. Under SB 55 (including the Building Commission's recommendations and the actions of the Joint Committee on Finance to date), the forestry account of the conservation fund is anticipated to have a balance of \$2.5 million on June 30, 2003. This balance would increase if the Committee does not approve the Building Commission's recommendation to use \$2.4 million of forestry account SEG for the construction of a visitor's center at the Kickapoo Valley Reserve.

5. Since it is not restricted from funding other groups with available federal monies, DNR indicates that it currently funds grant requests under the federal program from counties, towns, and non-profit organizations. However, the Department is limited to meeting requests from these groups with funding available from the United State Forest Service. In 1999-00, DNR received 15 grant applications from counties, towns, and non-profit organizations requesting \$172,900. In 2000-01, 22 applications were received requesting \$253,100. The Department argues that expanding eligibility to include counties, towns, and non-profit organizations would streamline the grant

process. Currently, DNR is responsible for ensuring that only cities and villages receive state funding, while federal awards may be distributed to any applicant. In addition, expanding eligibility would arguably improve the competitive nature of the grant process – applications may be funded based entirely on program criteria, allowing towns and counties to compete evenly with cities and villages.

6. However, it may be argued that as an "urban" forestry grant program, the majority of the available support should continue to be allocated to cities and villages. Further, since the forestry mill tax, a state-wide property tax of 20¢ per \$1,000 of property value, is the primary source of revenue to the forestry account (\$53.3 million in 1999-00) some argue that the urban forestry program is one of the few forestry programs that returns a portion of those funds directly to urban communities that pay the mill tax. Also, expanding eligibility to counties, towns, and non-profit organizations would increase demand for limited program funds.

ALTERNATIVES TO BASE

A. Program Funding

1. Approve the Governor's recommendation to provide \$172,000 in 2001-02 and \$165,000 in 2002-03 from the forestry account to contract for urban forestry specialists to provide technical assistance, education, and training to communities in south central and northeast Wisconsin.

Alternative A1	SEG
2001-03 FUNDING (Change to Base) <i>[Change to Bill]</i>	\$337,000 \$0]

2. Provide \$129,200 in 2001-02 and \$157,000 in 2002-03 with 2.0 forester positions and 1.0 program assistant to provide technical assistance, education, and training primarily to communities in south central and northeast Wisconsin.

Alternative A2	SEG
2001-03 FUNDING (Change to Base) <i>[Change to Bill]</i>	\$286,200 - \$50,800
2002-03 POSITIONS (Change to Base) <i>[Change to Bill]</i>	3.00 3.00]

3. In addition, provide forestry SEG in the following annual amount to increase funds available for grant awards:

- a. \$100,000

Alternative A3a	SEG
2001-03 FUNDING (Change to Base)	\$200,000
<i>[Change to Bill]</i>	<i>\$200,000]</i>

b. \$200,000

Alternative A3b	SEG
2001-03 FUNDING (Change to Base)	\$400,000
<i>[Change to Bill]</i>	<i>\$400,000]</i>

4. Maintain current law.

Alternative A3	SEG
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>- \$337,000]</i>

B. Program Eligibility

1. Approve the Governor’s recommendation to expand eligibility for the urban forestry grant program to include counties, towns, and non-profit organizations.
2. Maintain current law.

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