



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #549

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

BACKGROUND

Urban forestry grants are for up to 50% of the cost of tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluations, public education concerning trees in populated areas, and other tree projects. Cities, villages, towns, counties, and non-profit organizations are eligible to apply for grants under the program. Under DNR administrative rule, the minimum grant is \$1,000 and the maximum is \$25,000.

GOVERNOR

No provision.

DISCUSSION POINTS

1. Under 2001 Act 16 (the 2001-03 budget bill), funding for the grant program was increased by \$200,000 SEG in 2001-02 and \$100,000 SEG in 2002-03 to increase funding available for grants under the program. In addition, a number legislative earmarks of funding under the program (for Greening Milwaukee, which was item vetoed by the Governor, and for Winnebago, Outagamie and Burnett Counties) were included in the budget. While the earmarks were, or would have been, authorized only for the 2001-03 biennium, it was not clearly specified whether the increase in funding was provided as one-time or ongoing.

2. The \$100,000 increase in 2002-03 was entered into the budget system as one-time funding for the urban forestry grant program. However, due to an error, this funding was not deleted when standard budget adjustments were calculated for the 2003-05 budget. Unless the \$100,000 is reclassified in the state budget system as an ongoing expenditure, it will be removed when the 2005-07 budget is developed.

3. In addition to the 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 2002-03, \$629,900 in forestry SEG and \$12,400 in federal funding was available for grants (\$642,300 total). This amount is well below funding typically provided by the federal government. DNR indicated that federal support for some forestry projects was frozen in 2002-03 due to the financial demand of fire emergencies nationwide. DNR received 65 applications and awarded all of the available \$642,300 in funding. All grant applicants received funding under the program in 2002-03.

4. The Department indicates that there were fewer applications under the program in 2002-03 due largely to the uncertainty of local units of government as to what the impact of the economy and budget reductions would be on their finances. In previous years, DNR has been able to fund less than 75% of requests received on an annual basis, even with significant additional federal funding.

5. Under the Bill, the forestry account of the conservation fund is anticipated to have a balance of \$4.4 million on June 30, 2005. Therefore, sufficient funds would be available to maintain the level of support under the bill if the Committee chose to make the \$100,000 increase ongoing.

6. Alternatively, increased funding may not be necessary in the 2003-05 biennium to meet the demands of the grant program. The Committee could choose to delete \$100,000 each year to reflect the one-time nature of the 2001-03 program earmarks.

7. Finally, the Committee could choose to take no action on this item. Since the funding was not removed when the base for the 2003-05 budget was calculated, it will remain available to the forestry grant program in 2003-04 and 2004-05. However, the funding will remain categorized as "one time funding", and should be removed as a standard budget adjustment when the 2005-07 budget is developed. This action would increase the available balance of the forestry account in future biennia.

ALTERNATIVES

1. Specify that the \$100,000 provided in one-time funding for the 2003-05 biennium be designated as ongoing.

2. Delete \$100,000 SEG annually from the urban forestry grant program to remove one-time funding not deleted during file maintenance associated with the 2003-05 biennial budget.

Alternative 2	SEG
2003-05 FUNDING (Change to Bill)	- \$200,000

3. Maintain current law (the \$100,000 annual amount would be identified as one-time funding).

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