



Legislative Fiscal Bureau

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May 29, 2001

Joint Committee on Finance

Paper #662

County Forestry Assistance (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 479, #5]

CURRENT LAW

The county forest administrator grant program was modified in 1997 Act 237. Prior to that act, DNR provided grants to counties with county forest land for up to 50% of the salary of a county forest administrator or assistant county forest administrator. Under current law, 50% of the fringe benefit cost of the county forester is also provided, and the size of the grant is no longer linked to the number of acres of county forest land. The program is funded at \$675,000 for 2000-01.

GOVERNOR

Provide \$322,000 in 2001-02 and \$420,000 in 2002-03 from the forestry account to establish a grant program to increase the implementation of sustainable forestry practices on county forest land and to fully fund the county forest administrator grant program. Of the total, \$200,000 annually would establish the grant program; and \$122,000 in 2001-02 and \$220,000 in 2002-03 would fully fund the county forest administrator grant program as well as provide for an additional county to be added in each year.

DISCUSSION POINTS

1. There are 29 counties which have county forests; combined, these total over 2.34 million acres of public forest land. DNR provides technical forestry assistance to counties as part of an ongoing partnership under s. 28.11(5) of the statutes that requires DNR to provide technical assistance for counties to develop an annual work plan and budget, and a comprehensive 10-year plan for each county forest. One goal of this partnership is to improve forestry management on

county forest lands.

2. County forestry committees negotiate with DNR to determine, in practical terms, how the partnership directed under s. 28.11 may be carried out. Every three years, they negotiate the number of hours that DNR foresters will allocate annually to county forestry assistance based on the size and character of the individual county forests. These hours are divided between projects focusing on field reconnaissance, timber sales, reforestation, cultural work (including prescribed burns), county forest loans, 10-year plan monitoring, and coordination between county foresters, county boards, and the Department. Hours DNR has agreed to allot per county range from 142 hours annually in Vernon County to 3,805 in Washburn County. Under the most recent agreement, DNR would provide approximately 46,300 hours of forestry support to counties annually.

3. Due to competing demands for staff time and resources, the Department indicates that it is having difficulty providing the technical assistance to fulfill its agreement with the counties. The Wisconsin County Forest Association and DNR agreed that establishing a grant program to provide funding for technical assistance would help to address this problem. Under the bill, \$200,000 would be available annually for grants to counties to contract for projects that DNR may not have the resources to otherwise complete. For example, if DNR had negotiated to provide 185 hours of work associated with reforestation efforts to Bayfield County, but Department foresters anticipated only being able to complete 35 hours of reforestation activity in a given year, the county could apply for a grant to hire limited-term employees or to contract with private foresters for the remaining 150 hours of work. The Department believes that these agreements are necessary to meet the requirements established in statute directing cooperation between DNR and county foresters in developing work plans and annual budgets.

4. In addition to the assistance of DNR foresters, existing state programs provide: (a) 50% of the salary and fringe benefits of a county forest administrator; (b) noninterest-bearing loans for the acquisition, development, preservation, and maintenance of county forest lands; (c) interest-free forestry aid loans for projects that lead to meritorious and economically productive forestry operations; (d) up to 50% of the project cost of fish and wildlife management and habitat projects, and for outdoor recreational facilities on county forest land; and (e) a 30¢ annual payment per acre of county forest land. It may be argued that provision of these programs constitutes sufficient state support for county forestry efforts.

5. The grant program to assist with the implementation of sustainable forestry practices on county forests would be administered by the Bureau of Forestry central office staff, and would fund grants based on project proposals submitted by individual counties for specific unmet short-term demand for forestry work in the county forest. No additional staff would be required to administer this program. Counties receiving grants would be encouraged to contract with private forestry consulting firms or may choose to hire limited-term employees to complete the work. Grant accomplishments would be monitored by the DNR liaison forester assigned to the county forest receiving the award. To date, DNR has not identified criteria for receiving grant funding (beyond the presence of a county forest), or prioritizing requests, established a county match requirement, determined maximum grant awards, or determined a policy addressing potential proration or prioritization of grant awards (should requests exceed available funds). Further, no statutory

language granting DNR the authority to create or administer such a grant program is included in the bill.

6. Funding for the grant program could be deleted from the bill. DNR could seek funding through future legislation once program parameters were identified. Alternatively, if funding were provided, statutory language granting DNR the authority to administer a county forest grant program and requiring DNR to establish criteria for the program in administrative rule would be necessary.

7. Of the 29 counties with county forests, 25 currently participate in the county forest administrator grant program. Reimbursements to counties for county forest administrators may be prorated if funds are not sufficient to meet eligible requests for reimbursement. In 1999-00, eligible requests exceeded available funding by \$21,500, requiring a 97% proration of payments. It is anticipated that requests will exceed available funding in 2000-01 by approximately \$33,500, requiring a 95% proration of payments to counties. Of the funds provided under the bill, \$90,200 would be designated to fully fund eligible grants for county forest administrators, and \$31,800 would fund a grant allowing an additional county to join the program. In 2002-03, \$185,600 would be designated to fully fund eligible grants for county forest administrators, and \$34,400 would fund a grant allowing an additional county to join the program. The Department indicates that the actual cost increase for the grant program has been approximately 8% annually, due to increases in salary and fringe benefit costs.

8. Under the bill, funding would be provided to allow two additional counties to participate in the grant program over the biennium. DNR indicates that all but four counties with county forests currently participate in this program. Two of the four remaining counties are expected to seek funding under the grant program during the 2001-03 biennium. Monroe County had not been previously considered eligible, as its forest administrator was not a forester (a requirement under the program). The administrator is retiring, and the county has indicated that it will hire a forester as his replacement.

9. The three remaining counties (Wood, Marathon, and Langlade) have as a county forest administrator a DNR employee who is funded 50% by the DNR and 50% by the county. This practice dates back to an earlier agreement under which nine DNR employees acted as county forest administrators, and half of their salaries were paid by the county. This practice was phased out beginning in 1991; employees in these positions were not replaced when they retired or took other jobs. Instead, counties hired their own foresters to serve as county forest administrators, and applied for grants from DNR to receive reimbursement for a portion of the related costs. Wood, Marathon, and Langlade counties are the last three to still retain DNR staff under this arrangement. At least one of the county forest administrators in these three counties is expected to retire this year, and would be replaced by a forester hired by the county. When these positions change from a DNR forester to a county employee, DNR retains the position authority that had been providing county forestry services, and has been able to re-allocate the position for more general forestry duties. Five positions formerly serving as county forest administrators have been reallocated for general DNR forestry purposes since 1991 with a sixth expected to retire this year.

ALTERNATIVES TO BASE

A. County Forest Administrator Grants

1. Approve the Governor's recommendation to provide \$122,000 in 2001-02 and \$220,000 in 2002-03 from the forestry account to fully fund the county forest administrator grant program.

Alternative A1	SEG
2001-03 FUNDING (Change to Base)	\$342,000
<i>[Change to Bill]</i>	<i>[\$0]</i>

2. Maintain current law.

Alternative A2	SEG
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>-\$342,000]</i>

B. County Forest Land Grants

1. Provide \$200,000 annually from the forestry account (as recommended by the Governor) and authorize DNR to establish and administer a grant program to increase the implementation of sustainable forestry practices on county forest land. In addition, require DNR to establish criteria for the grant program in administrative rule, including eligibility requirements, maximum grant allowances, eligible activities, county match requirements, and a policy addressing the potential proration or prioritization of grant awards (should requests exceed available funds).

Alternative B1	SEG
2001-03 FUNDING (Change to Base)	\$400,000
<i>[Change to Bill]</i>	<i>[\$0]</i>

2. Maintain current law.

Alternative B2	SEG
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>-\$400,000]</i>

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