

Committee Name:

**Assembly Committee – Rural Affairs and Forestry
(AC–RAF)**

Appointments

01hr_AC–RAF_Appt_pt00

Committee Hearings

01hr_AC–RAF_CH_pt00

Committee Reports

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Clearinghouse Rules

01hr_AC–RAF_CRule_02–074

Executive Sessions

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Hearing Records

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Misc.

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Record of Committee Proceedings

01hr_AC–RAF_RCP_pt00

MEMORANDUM

To: Members of the Assembly Committee on Rural Affairs and Forestry

From: Chairperson John Ainsworth

Date: September 5, 2002

Re: Clearinghouse Rule 02-074

On Thursday, September 5, 2002, the following Clearinghouse Rule was referred to the Assembly Committee on Rural Affairs and Forestry:

Clearinghouse Rule 02-074, AN ORDER relating to the administration of the Wisconsin forest landowner grant program.

The deadline for committee action on this rule is **Monday, October 7, 2002**. If you would like a copy of the rule, or are interested in requesting a hearing, please contact Kristina Boardman in my office at 266-3097 prior to that date.

DATE: September 5, 2002

TO: Kristina Boardman

Committee on Rural Affairs and Forestry

FROM: Patrick Fuller, Assembly Assistant Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

CLEARINGHOUSE RULE 02-074

AN ORDER to amend NR 47.80 and 47.86 (1) (a), (3) (a) and (c) and (e) 1. and 4.; and to create NR 74.85 (2) (a) 4. and 5. and 47.895, relating to the administration of the Wisconsin forest landowner grant program.

Submitted by **Department of Natural Resources.**

Report received from Agency on **August 28, 2002.**

To committee on **Rural Affairs and Forestry.**

Referred on **Thursday, September 5, 2002.**

Last day for action - **Monday, October 7, 2002.**

Under section 227.19 (4) of the Wisconsin Statutes, your committee has 30 days to take action or get an extension. The day **after** the official referral date is day one of your review period. Therefore, the 30th day should fall four weeks and two days after the referral date. For example, for Clearinghouse Rules referred on a Monday, a Wednesday would be your 30th day. For Clearinghouse Rules referred on a Tuesday, a Thursday would be your 30th day. For Clearinghouse Rules referred on a Wednesday, a Friday would be your 30th day. For Clearinghouse Rules referred on a Thursday or Friday, your 30th day would fall on a weekend. Therefore, your time would expire on the next working day (Monday) as provided for in s. 990.001 of the Wisconsin Statutes. Also, if the 30th day falls on a legal holiday, time would expire on the next working day.

Section 227.19 **requires** you to notify each member of your committee that you have received this Clearinghouse Rule. Although some committee chairs do so, you are not required to send a copy of the text of the rule to each member at this time. Your notice could state that members should contact you if they wish to receive a hard copy of the rule. **(Please note that the text of Clearinghouse Rules beginning with the prefix "01" is now available online in the Clearinghouse Rules infobase in FOLIO.)** Please put a copy of your official notification memo in the rule jacket.

Three copies of the Clearinghouse Rule and its accompanying documents are contained in the jacket. If you wish to have your Legislative Council attorney review the Clearinghouse Rule, send him/her a copy. I only need one copy remaining in the jacket when you report it out of committee at the end of the review period.

The identical process is happening simultaneously in the Senate. Keep track of their action on the rule.

For assistance with the Clearinghouse Rule process, please consult Ken Stigler (6-2406) or your Legislative Council attorney. If you wish to learn more on this subject, read section 227.19 of the Wisconsin Statutes or part 2 of the *Administrative Rules Procedures Manual* written by the Revisor of Statutes Bureau and the Wisconsin Legislative Council staff.

**NOTICE TO PRESIDING OFFICERS
OF PROPOSED RULEMAKING**

Pursuant to s. 227.19, Stats., notice is hereby given that final draft rules are being submitted to the presiding officer of each house of the legislature. The rules being submitted are:

Natural Resources Board Order No. FR-36-02

Legislative Council Rules Clearinghouse Number 02-074

Subject of Rules Administration of the
Wisconsin forest landowner grant
program

Date of Transmittal to Presiding Officers August 28, 2002

Send a copy of any correspondence or notices pertaining to this rule to:

**Carol Turner, Rules Coordinator
DNR Bureau of Legal Services
LS/5, 101 South Webster**

**Telephone: 266-1959
e-mail: turnec@dnr.state.wi.us**

An electronic copy of the proposed rule may be obtained by contacting Ms. Turner

REPORT TO LEGISLATURE

NR 47, subch. VII, Wis. Adm. Code
Administration of the Wisconsin forest landowner grant program

Board Order No. FR-36-02
Clearinghouse Rule No. 02-074

Statement of Need

The Wisconsin Forest Landowner Grant Program has been assisting landowners since 1998. Over 3,250 landowners have participated in this program, applying sound management practices to over 250,000 acres of Wisconsin's forested lands. It is extremely popular with landowners and foresters alike due to the relative ease of implementation. However, funds run short, and even with a recent boost of \$125,000 to the annual budget, there is still a backlog of landowners waiting up to a year to receive funding for projects.

The proposed rules will help prioritize the practices being funded, allow the Department to allocate a portion of the funds to address forestry disaster situations, allow other funds to be distributed through this program, and extend existing funds to more landowners. The proposed revisions will:

1. Create an option to reduce the cost-share rate from 65% to 50% on all practices in years when funds do not meet the demand at a 65% cost-share rate.
2. Prevent the practice of combining other cost-share programs with the Wisconsin Forest Landowner grant program through suggested language changes.
3. Delete obsolete processing deadlines from the rule and change September 1 to August 1 in order to give landowners wanting to do fall site preparation adequate lead time, and change the June 1 processing date to May 1 to accommodate the Bureau of Finance's fiscal year close-out deadlines.
4. Insert language into the rule to allow for a portion of Wisconsin Forest Landowner grant program funds to be used as emergency funds when situations such as wind storms, ice storms, fire losses, etc., create large-scale losses on private lands. In this case, the recommendation is to allow allocation of up to 20% of the annual funds, at the Chief State Forester's request, for use in an "emergency" area in the following fiscal year.
5. Insert language into the rule to allow for some prioritization for funding projects. Specifically, that the practices of management plan preparation, reforestation and afforestation, and timber stand improvement be allocated up to 80% of the annual funds with the remainder of the funds to be used for the five remaining practice categories.
6. Raise the minimum reimbursement request to \$200 from \$100.
7. Insert language to allow other state, federal or private funds to be distributed through this program.

Modifications as a Result of Public Hearing

The reduction in cost share rates from 65% to 50% was revised to create the option of either 65% or 50% depending on the availability of funds.

Minor modifications were made to clarify how federal and other state funds can be used through this program so that landowners fully benefit from a simplified process and the integrity of the two programs is maintained.

Appearances at the Public Hearings and Their Position

July 11, 2002 – Black River Falls – no appearances

July 11, 2002 – Stevens Point

In support:

Michael Gehrke, W6272 Everson Road, Winter, WI 54896
Willard D. Kiefer, 7784 S. County Road S, Lake Nebagamon, WI 54849

In opposition – none

As interest may appear:

Marvin C. Meier, 4901 Blackberry Drive, Wausau, WI 54401
Paul Lochner, 2830 Plover Spring Drive, #26, Plover, WI 54467

July 12, 2002 – Madison – no appearances

Response to Legislative Council Rules Clearinghouse Report

The recommendations were accepted.

Final Regulatory Flexibility Analysis

The proposed rules do not regulate small business; therefore, a final regulatory flexibility analysis is not required.

ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD
AMENDING AND CREATING RULES

The Wisconsin Natural Resources Board proposes an order to amend NR 47.80, 47.83, 47.84 (2) (b) and 47.86(1)(a), (3)(a), (c), (e)1. and 4. and to create NR 47.84 (1) (c), 47.85(2)(a)4. and 5. and 47.895 relating to the administration of the Wisconsin Forest Landowner Grant Program.

FR-36-02

Analysis Prepared by the Department of Natural Resources

Statutory authority: ss. 26.38, 28.01 and 28.07, Stats.
Statutes interpreted: ss. 26.38, 28.01 and 28.07, Stats.

Scope of Program: Broadens the scope of the Wisconsin Forest Landowner Grant Program (WFLGP) to allow other state and federal funds to be distributed through this program for encouraging private landowners to manage their lands in a manner that benefits the state's forest land and related resources and the people of the state.

Reimbursable Landowners Costs: Creates new language to strengthen the commitment of private landowners to their projects by clearly disallowing the use of funds other than their own as the match required under this program. It further requires that any changes in a practice must be approved by the department before implementing if reimbursement is requested.

Application Procedures and Grant Calculations: Allows the department to reduce from 65% to 50% the amount of reimbursement a landowner can claim when demand exceeds available funding; application deadlines are modified to reflect internal processing deadlines; an allowance is made to use funds to assist in emergency situations; and priorities are established for funding requests.

Authorization for Use of Other Funding Sources: Establishes a method for allowing outside agencies or organizations to augment the State WFLGP funds. Funds may come from a private organization for a specific forestry practice or from the federal government for more general private landowner assistance efforts. All funds distributed through this program would be for projects consistent with the WFLGP goals, scope and purpose. This section was created to allow an avenue for distributing funds appropriated for a similar purpose through an existing structure.

SECTION 1. NR 47.80 is amended to read:

NR 47.80 Purpose and scope. The purpose of this subchapter is to establish procedures and standards for the administration of the private forest landowner grant program as authorized under s. 26.38, Stats., and to distribute other available state and federal funds for the purpose of encouraging private forest landowners to manage their lands in a manner that benefits the state's forest and related resources and the people of the state.

SECTION 2. NR 47.83 is amended to read:

NR 47.83 Program administration: The department shall administer the program, within the guidance provided by authorizing statute. Additional guidance may accompany federal funding and state funding other than that provided through s. 20.370 (5) (av), Stats.

SECTION 3. NR 47.84 (1) (c) is created read:

NR 47.84 (1) (c) Eligibility for federal funding may be defined in the grant agreement through which federal funding is provided. Further, additional eligibility criteria may accompany state funding other than that provided through s. 20.370 (5) (av), Stats.

SECTION 4. NR 47.84(2)(b) is amended to read:

NR 47.84 (2) (b) *Practices*. The following practices are eligible for grants under this subchapter if the land is subject to a department approved forest stewardship landowner management plan. However, additional restrictions on eligible practices may accompany funding for this program other than that provided through s. 20.370 (5) (av), Stats.

SECTION 5. NR 47.85 (2)(a) 4. and 5. are created to read:

NR 47.85(2)(a)4. As a match or in combination with any other public funds..

5. Practices not approved by the department in writing, or changes to a previously approved practice, unless authorized by the department in writing.

SECTION 6. NR 47.86 (1)(a), (3)(a) and (c), (e) 1. and 4. are amended to read:

NR 47.86(1)(a) ~~The~~ A matching grant provided through s. 20.370 (5) (av), Stats., or other state funds shall be not less than 50% nor more than 65% of the actual eligible costs depending on availability of funds. If a federal grant agreement provides for cost-share limitations different from those specified in this subsection, the cost-share rate from funds provided through the federal grant agreement may apply.

(3) APPLICATION AND APPROVAL. (a) ~~Applicants shall file applications with the bureau of forestry no later than November 30, 1998. Starting in 1999, the application~~ Application deadlines are as follows and are contingent upon availability of funds: February 1, June May 1, and September August 1. State funds for this program other than those provided through s. 20.370 (5) (av), Stats., and federal funds awarded pursuant to a federal grant agreement may specify other application deadlines.

(c) Grants under s. 26.38, Stats., shall be awarded for eligible projects on a ~~first-come-first-serve~~ priority basis based on the information received by the bureau of forestry. following criteria:

1. Up to 20% of the total annual funds may be designated towards a statewide forestry emergency, as designated by the chief state forester.

Note: A statewide forestry emergency includes, but is limited to natural and man-made events which cause large areas of forest mortality due to wind, ice, hail, flooding, forest fires, forest insect or disease.

2. No more than 80% of remaining funds may be designated towards forest stewardship plan development; reforestation and afforestation; and timber stand improvement.

3. The remaining funds after distribution to activities designated in subd. 2. to the remainder of the practices identified in sub. (2) (a).

4. If funds are available following distribution under subds. 1. to 3., they may be distributed on a first-come-first-serve basis to any approved applications awaiting funding.

(e)1. Consistency with a department approved landowner forest stewardship plan unless the applicant is applying for a grant to develop one.

4. The practice cost is determined to be at least ~~\$100~~ \$200 or more.

SECTION 7. NR 47.895 is created to read:

NR 47.895 Funding. Funding for grants under these rules includes:

(1) Funds appropriated for the grant program established under s. 26.38, Stats.

(2) Other state or federal funds appropriated for the purpose of encouraging private forest landowners to manage lands in a manner that benefits this state's forest and related resources and the people of the state, provided the practice or practices identified for the funding are consistent with any identified in this subchapter as eligible for funding

(3) Other state or federal funds distributed through this subchapter shall be distributed to practices or projects consistent with the appropriation.

The foregoing rules were approved and adopted by the State of Wisconsin Natural Resources Board on August 14, 2002.

The rules shall take effect the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin _____

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By _____
Darrell Bazzell, Secretary

(SEAL)

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number FR-36-02; NR 47, sub VII

Subject
 Proposed amendments and creations to NR 47, subchapter VII, Wisconsin Landowner Grant Program (WFLGP)

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory
3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

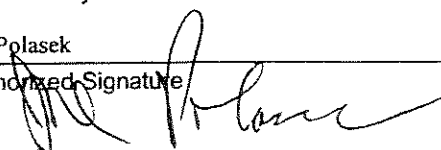
Based on efforts to improve the delivery of the Wisconsin Forest Landowner Grant Program (WFLGP), the Division of Forestry is proposing the following modification in NR 47, Sub. VII:

1. Provide option to reduce cost-share rate from 65% to 50% on all practices when funds do not meet demand at 65% ;
2. Prevent the practice of combining other cost-share programs with WFLGP through suggested language changes;
3. Delete obsolete processing deadlines from the Rule, change Sept 1 processing date to August 1, and change June 1st processing date to May 1st, to accommodate the Bureau of Finance's fiscal year close-out deadlines;
4. Insert language into the Rule to allow for a portion of WFLGP funds to be used as emergency funds when situations such as wind storms, ice storms, fire losses, etc. create large-scale losses on private lands. In this case, the recommendation is to allow allocation of up to 20% of the annual funds, at the Chief State Forester's request, for use in an "emergency" area in the following fiscal year;
5. Insert language into the Rule to allow for some prioritization for funding projects;
6. Raise the minimum reimbursement request to \$200 from \$100;
7. Insert language to allow other state, federal or private funds to be distributed through this program.

There is no state or local fiscal impact associated with this rule change. There is no request for increased funds in the proposal, there is no increased workload since the number of applications is expected to -be the same, the funds will just be allocated differently so more people can receive the funds. We must process of the applications regardless of whether they are funded the same year they are received and are required to respond in writing to each landowner that applies, so there is no increase in processing the paperwork with this request nor in field staff time.

Long-Range Fiscal Implications

None

Prepared By: Joe Polasek	Telephone No. 608-266-2794	Agency DNR
Authorized Signature 	Telephone No.	Date (mm/dd/ccyy) 7-23-02