



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

February 1, 2022

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Natural Resources: Section 13.10 Request for Forestry Emergency Reserve Funding --  
Agenda Item X

### **REQUEST**

On November 1, 2021, the Department of Natural Resources (DNR) submitted a request to the Joint Committee on Finance to transfer \$123,600 from the forestry emergency reserve under s. 20.370(2)(cv) of the statutes to the urban forestry grant program under s. 20.370(5)(az) to reimburse expenses related to storm damage sustained in July, 2021.

### **BACKGROUND**

The urban forestry grant program was created in 1991 Wisconsin Act 39 to provide matching grants to local governments for forestry-related projects, including tree inventories and management plans, disease evaluations, public education and storm damage response. In fiscal year 2021-22, DNR may award up to \$524,600 for urban forestry grants from a biennial appropriation. Under administrative code Chapter NR 47, DNR may award up to 20% of the amount appropriated for urban forestry grants (\$104,950) for removing, repairing, and replacing trees that have been damaged by heavy winds, tornadoes, ice, hail, or snow. Communities are eligible in areas where the Governor has declared a state of emergency. Grants awards may be as little as \$4,000 and as great as \$50,000. The program does not have a minimum match for catastrophic storm grants.

Additionally, the forestry emergency reserve was created in 2017 Wisconsin Act 59 to provide funds for emergency responses to significant fire, disease, infestation, or other natural disasters that could not otherwise be reimbursed by federal funds. Reserve funds may only be transferred or expended upon approval of the Joint Committee on Finance. As a continuing appropriation, amounts are usable only for purposes specified and do not lapse to the forestry account balance to become available for other purposes. 2017 Act 59 appropriated \$5,000,000 to the reserve. On January 16, 2020, the Committee approved a DNR request to transfer \$1,166,900 from the reserve to reimburse

both DNR and local expenses incurred in response to catastrophic storms in July, 2019. Currently, \$3,833,100 remains available in the reserve.

## ANALYSIS

The current request owes to damage beginning on the night of July 28, 2021, when a line of severe weather originated near the Minnesota border in Polk County and traveled southeast across northern and central Wisconsin. The weather included several tornados in Columbia, Dane, Jefferson, Lincoln, Marathon, and Waukesha Counties. Additionally, straight-line winds at speeds over 70 miles per hour downed trees and power lines and inflicted significant property damage in Green Lake, Marathon, Waupaca, Waushara, and Winnebago Counties. On July 29, 2021, the Governor declared a state of emergency related to the storm damage.

Table 1 shows requests and awards for urban forestry storm damage grants since 2013-14. In 2019-20, the Department was able to fully fund urban forestry storm damage grant requests after the Committee transferred \$489,100 from the forestry emergency reserve. The table shows only those years during which an eligible storm event occurred. The DNR request would transfer \$123,600 to fund grants provided to local communities for storm damage response.

**TABLE 1**

### **Urban Forestry Grants for Storm Damage**

<u>Fiscal Year</u>	<u>Requests</u>	<u>Awards</u>	<u>Percent Funded</u>
2013-14	\$269,100	\$104,920	39.0%
2015-16	6,800	6,800	100.0
2019-20	594,000	594,000	100.0
2021-22	228,500	104,950	46.0

Table 2 shows urban forestry grant requests related to July, 2021 storm damage. Grant recipients may be reimbursed for costs related to storm recovery that were incurred within one year of the start of the declared emergency. Although communities may be reimbursed for storm costs incurred through July 28, 2022, four of the communities shown in the table have applied for the maximum grant award and would not be eligible for additional storm recovery assistance.

**TABLE 2**

**Urban Forestry Catastrophic Storm Damage Grants**

<u>Municipality</u>	<u>County</u>	<u>Request*</u>	<u>Total Funded</u>	<u>Percent of Request</u>
Omro, City of	Winnebago	\$50,000	\$22,965	46.0%
Ripon, City of	Fond du Lac	50,000	22,965	46.0
Tomahawk, City of	Lincoln	50,000	22,965	46.0
Watertown, City of	Jefferson/Dodge	50,000	22,965	46.0
Wausau, City of	Marathon**	<u>28,500</u>	<u>13,090</u>	46.0
		\$228,500	\$104,950	46.0%

\* Under NR 47.957(1), the minimum grant award is \$4,000 and the maximum grant award is \$50,000.

\*\* Marathon County applied for grant funding on behalf of the City of Wausau.

As noted above, DNR may award up to 20% of the amount appropriated for urban forestry grants to reimburse storm-related response and tree replacement. In recent years, \$104,950 has been available for these purposes. If applications for grants exceed the amount available, administrative code requires the Department to prorate grant awards until additional funds become available. As shown in Table 2, the \$104,950 available is sufficient to fund 46% of grant requests. The request would transfer the remaining \$123,600 to fully fund all grant awards.

The Committee could consider approving the DNR request to transfer \$123,600 from the forestry reserve to fund eligible storm damage claims under the urban forestry grant program [Alternative 1]. The Committee could also consider denying the request [Alternative 2]. As there is no other source of funds available for urban forestry grants, DNR would be able to reimburse communities for \$104,950 in eligible storm related damages. This is approximately 46% of the total urban forest damages sustained during the July storms for which claims have been submitted.

**Reserve Balance**

Table 3 shows the available balance of the forestry emergency reserve if the request is approved. As of June 30, 2021, the forestry account had an available balance of \$44.4 million. Given the balance of the forestry account, it would be possible to restore the forestry emergency reserve with SEG funds at a future time.

**TABLE 3**

**Forestry Reserve Balance**

Opening Amount	\$3,833,100
Request Amount	<u>123,600</u>
Available Balance	\$3,709,500

## **ALTERNATIVES**

1. Approve the DNR request to transfer \$123,600 from the forestry emergency reserve [s. 20.370(2)(cv)] to the urban forestry grant appropriation [s. 20.370(5)(az)] to fund all eligible storm damage requests from the July, 2021 storms.
2. Deny the request.

Prepared by: Eric R. Hepler