



## Legislative Fiscal Bureau

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May 7, 2024

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Military Affairs: Section 13.10 Request to Provide Funding for Pre-Disaster Flood Resilience Grants -- Agenda Item I

### REQUEST

On November 29, 2023, the Department of Military Affairs (DMA) requested a one-time transfer of \$2,000,000 GPR in 2023-24 from the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)] to DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] to provide funding for pre-disaster flood mitigation.

### BACKGROUND

The 2023-25 budget act, 2023 Act 19, created DMA's appropriation for pre-disaster flood resilience grants under the Division of Emergency Management (also called Wisconsin Emergency Management (WEM)). The act also placed \$2,000,000 GPR in the Joint Committee on Finance's supplemental GPR appropriation for potential release to the pre-disaster flood resilience grants appropriation. In addition to the state appropriation for pre-disaster flood resilience grants, WEM administers hazard mitigation assistance grant programs, funded by the Federal Emergency Management Agency (FEMA). Programs include the hazard mitigation grant program, the building resilient infrastructure and communities program, and the flood mitigation assistance program.

### ANALYSIS

Although Act 19 created the pre-disaster flood resilience grants appropriation and provided funding for potential release to the appropriation, legislation authorizing the state pre-disaster flood mitigation program was enacted after Act 19 passed. Authorizing language was proposed in Senate Bill 222, which was introduced on April 14, 2023. The bill was passed by the Senate on June 7, 2023, on a 33-0 vote and concurred in by the Assembly on January 25, 2024. The Governor signed

the bill on April 3, 2024. The resulting act, 2023 Act 265, was published on April 4, 2024.

Under Act 265, WEM must create and administer a pre-disaster flood resilience grant program to provide assessment or implementation grants for projects aimed at identifying flood vulnerabilities and options to improve flood resiliency, and restoring hydrology to reduce flood risk and damage in flood-prone communities. Assessment grants must support the generation and gathering of information on vulnerabilities and identification of flood resilience priorities on a watershed, catchment, or stream reach-scale. Implementation grants must support implementation of hydrologic restoration projects that have either been identified or designed through an assessment grant activity or comparable process. In each biennium, for each dollar WEM awards for assessment grants, only 67 cents may be awarded for implementation grants. The Division may award up to \$300,000 per assessment grant and \$250,000 per implementation grant, each with a match requirement of at least 25% of the total anticipated project cost. The match requirement may be met with cash or in-kind contributions, including goods and services and administrative costs. Persons eligible for the grants include: (a) one or more local governmental units (cities, villages, towns, counties, regional planning commissions, and federally-recognized American Indian tribes or bands in Wisconsin); (b) a nonprofit organization applying on behalf of one or more local governmental units; and (c) a private consulting organization applying on behalf of one or more local governmental units.

Under Act 265, the Division may consider grant applications only if one of the following applies: (a) the application is for a project area that includes the site of a presidentially-declared disaster for flooding at any time in the 10 years preceding the grant cycle; (b) the application is for a project area that includes the site of a Governor-issued state of emergency for flooding at any time in the 10 years preceding the grant cycle; or (c) the application is for a local governmental unit that has a Division-approved hazard mitigation plan that identifies localized exposure to flood risk. Grant recipients have two years to spend any funding provided. However, the Division may extend this timeline to match a timeline requirement of a federal grant. Grant recipients must provide a report describing project goals, activities conducted with grant funding, and data and observations demonstrating progress toward project goals to the Division within 90 days of completing the grant project, or two years after receiving the grant funding, whichever occurs first.

Under the act, the Division must develop evaluation methods for grant applications and consider the extent to which proposed projects meet the following: (a) the project area has been subject to, or is upstream from areas that have experienced repetitive flooding and erosion damage; (b) the project demonstrates a cost-effective basis for proposed actions; (c) the project has a clear plan for demonstrating measurable results; (d) for assessment grants, the project will generate data useful for updates to hazard mitigation plans, land and water resource management plans, or other local watershed plans or priorities; and (e) other criteria that help prioritize projects with the most beneficial impacts. The Division must establish grant application requirements, including those relating to project narratives, scopes of work, budgeting information, supporting documentation, and project timelines. The Division may consult with other state agencies regarding administration of the program and review of grant applications. Act 265 requires WEM to submit a report to the Governor and the appropriate standing committees of the Legislature by July 1, 2024, and annually thereafter, that: (a) describes program activities and accomplishments of the preceding fiscal year; (b) lists the grant recipients and grants awarded; and (c) makes a recommendation on program continuation and

funding levels. However, this report is not required in a year that no monies are appropriated to the Department for the grant program and all funds appropriated in any previous fiscal year have been expended and were previously included in such a report.

Note that, as requested by DMA, if \$2,000,000 GPR were provided in 2023-24, there would be no base funding for the program in the 2025-27 biennium. [Alternative 1] If the Committee wishes for the program to have base funding in the upcoming biennium, funding could be released for 2024-25, rather than 2023-24. Because the appropriation is biennial in nature, under this alternative, the Department would be able to begin expending the transferred funds in 2023-24. [Alternative 2]

Although DMA did not request additional funding or position authority for the administration of the pre-disaster flood resilience grant program in its request to the Committee, the request did reference the agency fiscal estimate for Senate Bill 222/Assembly Bill 222 (later enacted as Act 265), which addressed costs for program administration. The Department estimated that it would require 1.5 FTE positions (1.0 FTE for programmatic administration and 0.5 FTE for fiscal administration) and \$180,300 annually to administer the program. Funding would support: (a) salaries (\$102,700); (b) fringe benefits (\$47,600); and (c) supplies and services (\$30,000, of which \$15,000 would be one-time and \$15,000 would be ongoing). The fiscal estimate indicated that DMA could not absorb any administrative costs associated with the program. In addition to Alternatives 1 or 2, the Committee could, therefore, choose to create 1.5 permanent GPR positions in 2024-25 in the pre-disaster flood resilience grants appropriation. Additionally, the Committee could specify that the annual cost of \$180,300 GPR to support administrative costs be provided through one of two funding sources. The positions and supplies and services could be funded from a portion of the \$2,000,000 GPR allocated for the grant program. [Alternative 3a] Note that this would result in a reduction of funding available for pre-disaster flood resilience grant awards. Alternatively, the positions could be supported using a portion of the unreserved amount in the Joint Committee on Finance's supplemental GPR appropriation. [Alternative 3b] Act 19 included \$133,600 GPR annually in the Committee's supplemental GPR appropriation, which currently remains available to be used for any purpose directed by the Committee. Because the Committee's supplemental GPR appropriation is biennial in nature, there would be sufficient funds to support an additional transfer of \$180,300 GPR in 2024-25.

As a modification to Alternatives 3a or 3b, the Committee could specify that the 1.5 GPR positions to be created in 2024-25 for the administration of the pre-disaster flood resilience program would be two-year project positions, rather than permanent positions. [Alternative 4] Under this alternative, the positions would have an end date of June 30, 2026. The Committee could also choose to deny the request at this time. If the Department resubmitted a request for funding for the pre-disaster flood resilience grant program, the Committee could choose to consider a request again at a future meeting. [Alternative 5]

## **ALTERNATIVES**

1. Approve the request to transfer \$2,000,000 GPR in 2023-24 from the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)] to DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] to provide

funding for pre-disaster flood mitigation.

2. Transfer \$2,000,000 GPR from the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)] in 2023-24 to DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] in 2024-25 to provide funding for pre-disaster flood mitigation.

3. Create 1.5 GPR positions in 2024-25 in DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] for program administration.

a. Specify that administrative expenses would be funded using a portion of the \$2,000,000 GPR transferred to DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] for pre-disaster flood resilience grants. [This alternative may be selected with Alternatives 1 or 2.]

b. Specify that administrative expenses would be funded from an additional transfer of \$180,300 GPR in 2024-25 to DMA's biennial GPR pre-disaster flood resilience grants appropriation [s. 20.465(3)(dn)] using unreserved amounts available in the Joint Committee on Finance's biennial GPR general program supplementation appropriation [s. 20.865(4)(a)]. Specify that \$15,000 of the transferred funding would be one-time in nature. [This alternative may be selected with Alternatives 1 or 2.]

4. Specify that the 1.5 GPR positions created for the administration of the pre-disaster flood resilience grant program would be two-year project positions. [This alternative may be selected with Alternatives 3a or 3b.]

5. Deny the request.

Prepared by: Brianna Murphy