

**Wisconsin Department of Natural Resources  
Natural Resources Board Agenda Item**

**SUBJECT:**

Request that the Board adopt Board Order FR-07-12, proposed rules affecting chapter NR 47.65 related to a new County Forest time standards grant, which would allow county forests additional flexibility in selecting the optimal combination of resources provided by the department.

**FOR: September 2014 Board meeting**

**PRESENTER'S NAME AND TITLE:** Joe Schwantes, County & Public Forest Specialist, Bureau of Forest Management

**SUMMARY:**

The Division of Forestry's (DOF) Strategic Direction process, completed in 2011-12, realigned forestry division resources to better accomplish the DOF's mission in Wisconsin's Statewide Forest Plan. As part of that process, each County Forest established under Wis. stat. s. 28.11 was given the opportunity to request a modification of the allocation of resources provided by the Department among a suite of grants and the hours of technical assistance the DOF provides to best meet their individual needs. The proposed rule would create a new grant program which would provide a mechanism for the DOF to be able to provide for such a reallocation of assistance, as desired by several counties.

This proposed rule would create a new grant program, which would allow additional flexibility for County Forests to select the optimal combination of resources provided to each by the Department. Presently the DNR Division of Forestry (DOF) provides assistance to County Forests, aligning workload with the statutory role of the DNR in coordination and support of the County Forest program. The new grant program would provide a mechanism for the DOF to be able to provide for such a reallocation of technical assistance for grant funding to interested counties.

Creation of this rule should generate little controversy since the Wisconsin County Forests Association and the County Forest Administrators worked with the department to develop the draft rule language and support its adoption.

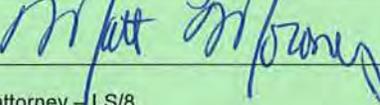
The Natural Resources Board approved the Statement of Scope at its April 2012 meeting. The Natural Resources Board was notified of the intent to solicit information and advice for the preparation of an economic impact analysis in December 2013 and authorized public hearings in February 2014.

Economic impacts of this rule are anticipated to be minimal. Depending on the level of grant funding utilized by County Forests under this grant program and whether grant funds are utilized to hire temporary employees or independent forestry contractors, there could potentially be a small positive impact on the forestry consultant business sector.

**RECOMMENDATION:** That the Board adopt Board Order FR-07-12.

**LIST OF ATTACHED MATERIALS (check all that are applicable):**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> background memo   | <input type="checkbox"/> Attachments to background memo               |
| <input checked="" type="checkbox"/> Fiscal estimate and economic impact analysis (EIA) form | <input type="checkbox"/> Environmental assessment or impact statement |
| <input checked="" type="checkbox"/> Response summary  | <input checked="" type="checkbox"/> Board order/rule                  |

Approved by	Signature	Date
Bob Mather, Bureau Director		8/11/2014
Paul DeLong, Administrator		8/11/2014
Cathy Stepp, Secretary		9/4/14

cc: Board Liaison - AD/8

Program attorney - LS/8

Department rule coordinator - LS/8

DATE: August 11, 2014

TO: All Members of the Natural Resources Board

FROM: Cathy Stepp, Secretary

SUBJECT: Background memo on Board Order FR-07-12, relating to a new county forest time standards grant.

### 1. Subject of Proposed Rule:

The proposed rule addresses a new county forest time standards grant, which would allow county forests additional flexibility in selecting the optimal combination of resources provided by the department.

### 2. Background:

The Department provides coordination and support of county forests as described in s. 28.11 Wis. stats. That support includes provision of local technical assistance to each county with lands enrolled under the county forest law, as well as administration of the statewide county forest program and several grants and loans which are available to county forests.

### 3. Why is the rule being proposed?

The Division of Forestry's (DOF) Strategic Direction process, completed in 2011-12, realigned forestry division resources to better accomplish the DOF's mission in Wisconsin's Statewide Forest Plan. As part of that process, each county forest established under Wis. stat. s. 28.11 was given the opportunity to request a modification of the allocation of resources provided by the Department among a suite of grants and the hours of technical assistance the DOF provides to best meet their individual needs. Several counties desire to reduce their technical assistance from DNR in exchange for funding that would allow them to hire contractors or seasonal staff to accomplish similar forestry work. This proposed rule would create a new grant program which would provide a mechanism for the DOF to be able to provide for such a reallocation of assistance.

### 4. Summary of the rule.

This proposed rule would create a new grant program, which would allow additional flexibility for county forests to select the optimal combination of resources provided to each by the Department. Presently the DNR Division of Forestry (DOF) provides assistance to county forests, aligning workload with the statutory role of the DNR in coordination of the county forest program. The new grant program would provide a mechanism for the DOF to be able to provide for such a reallocation of technical assistance for grant funding to interested counties. The thought is that some of the forestry tasks may be done adequately using potentially lesser paid seasonal or contracted staff, with the end result being the ability to get more work done with the same amount of resources. The proposed grant program is structured to focus on accomplishing tasks already identified in the time standards agreement for each county, which guides what activities have typically been accomplished by DOF staff. This funding would provide for implementation of on-the-ground sustainable forestry practices.

**5. How does this proposal affect existing policy?**

This proposed new grant program would create a mechanism for the DOF to be able to reallocate a portion of the technical assistance typically provided to county forests, to grant funds that could be utilized to implement the same suite of sustainable forestry practices as are currently implemented by DOF staff, if a county so desires. This proposed new rule could impact the amount of funds available for two other existing county forest grant programs, the county forest administration grant (NR47.70) and sustainable forestry grant for county forests (NR47.75), since all three would be funded by a comingled appropriation 20.370(5)(bw).

**6. Has Board dealt with these issues before?**

The Natural Resources Board approved the Statement of Scope at its April 2012 meeting. The Natural Resources Board was notified of the intent to solicit information and advice for the preparation of an economic impact analysis in December 2013. The Natural Resources Board authorized the holding of public hearings in February 2014

**7. Who will be impacted by the proposed rule? How?**

County Forest Administrators (29 individuals), would be the most directly affected group impacted by this proposed rule. The Department solicited their input in the development of the draft rule language and in the development of the Economic Impact Analysis (EIA). The County Forest Administrators are the individuals that would be responsible for completing and submitting grant applications under the proposed rule, and therefore are in the best position to describe the potential impacts of the rule on their operations, budgets, and the small businesses they may potentially hire to complete sustainable forestry projects. This rule would provide an option for counties to receive grant funding as an alternative to DNR staff assistance, which could be used to hire temporary staff or contractors to accomplish sustainable forestry projects. As such, there could potentially be a minor economic impact on county forestry department budgets and possibly small forestry businesses, if counties received grant funding and subsequently hired contractors for that work. The actual overall economic impact to small businesses in Wisconsin will be minimal, although a few firms may benefit if selected to do contract work on county forest projects.

**8. Soliciting public input –**

**Economic impact synopsis**

A notice soliciting comments regarding an Economic Impact Analysis for creating a rule NR 47.65 – county forest time standards grant, was posted on the internet December 12, 2013 and sent directly to County Forest Administrators on the same date. No comments were submitted to the Department during the three week comment period.

**Public hearing synopsis**

A notice advertising a public hearing on the creation of section NR 47.65, relating to a new county forest time standards grant, and soliciting public input was posted on the internet on May 20, 2014. A public hearing was held in Chippewa Falls on June 25, 2014. The hearing was attended by eight individuals and all eight expressed support of the proposed rule. Several of those in attendance provided comments to the Department, as described below.

“Support the additional flexibility this proposed change provides county forest programs.” – Mike Ludeke

“Why would grant period cover 4 years, will this cause concerns by anticipating funding in the second biennium?” – Tom Rudolph

“Still have reservations for the second budget cycle as a County Board member, but I support State/County working together to achieve a good goal.” – Phil Schneider

“I am in favor of the proposed rule because of the additional flexibility that it will provide. The rule was developed carefully and with close cooperation between county forest administrators and the DNR. The 4 year grant period was settled on because we recognized the challenge of shifting resources any more frequently.” – Jane Severt

The Department’s response to the comments submitted addresses the one concern that was raised, that being the 4 year period that the grant application is to cover. The 4 year period was arrived upon by the ad hoc committee of DNR and county forest representatives that worked together to develop draft language for this rule for a variety of reasons. A 4 year period provides more predictability for both the county forest departments and the Division of Forestry in terms of the amount and type of resources that will be available to each county forest each year. Shifting human resources requires planning and is constrained by the resources available. Shifting DNR resources affects the county forest programs as well as other programs administered by the Division of Forestry. County Forest Administrators and Division of Forestry staff ultimately expressed agreement that a 4 year period provided the best balance between flexibility and predictability. The rule addresses the possibility that sufficient funding may not be available in the second biennium and provides a mechanism for a county to either withdraw the grant request or receive pro-rated funding.

No additional comments were submitted via phone, mail, or email to the Department during the comment period.

## **9. Environmental Analysis**

A strategic analysis under s. NR 150.10 (1m), Wis. Adm. Code, is not required for Board Order FR-07-12 because the proposed rules do not involve unresolved conflicts concerning alternative uses of available resources. The Department has also determined that the rulemaking process for Board Order FR-07-12 constitutes an equivalent analysis action, under s. NR 150.20(2)(b), Wis. Adm. Code.

## **10. Small Business Analysis**

Economic impacts of this rule are anticipated to be minimal. No comments were submitted to the Department in response to the Economic Impact Analysis that was developed and posted for public input. The Department solicited input from County Forest Administrators in the development of the draft rule language and in the development of the Economic Impact Analysis (EIA), since they are most directly impacted and likely have the best sense of how the rule could affect small businesses. Depending on the level of grant funding utilized by county forests under this grant program and whether grant funds are utilized to hire temporary employees or independent forestry contractors, there could potentially be a small positive impact on the forestry consultant business sector.

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

NR47.65 (new) County Forest Time Standards Grant

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3. Subject

County forest time standards grant. Grant that would allow additional flexibility for County Forests to select the optimal combination of resources provided to each by the Department.

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

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5. Chapter 20, Stats. Appropriations Affected

20.370(5)(bw)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect    Increase Existing Revenues    Increase Costs  
 Indeterminate    Decrease Existing Revenues    Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy    Specific Businesses/Sectors  
 Local Government Units    Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes    No

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9. Policy Problem Addressed by the Rule

This proposed rule would create a new grant program, which would allow additional flexibility for County Forests to select the optimal combination of resources provided to each by the Department. Presently the DNR Division of Forestry (DOF) provides assistance to County Forests, aligning workload with the statutory role of the DNR in oversight of the County Forest program. The DOF's Strategic Direction process in 2011-12 realigned forest resources to better accomplish the DOF's mission in Wisconsin's Statewide Forest Plan. As part of that process, each County Forest was given the opportunity to request a modification of the allocation of resources provided by the Department among a suite of grants and the hours of technical assistance the DOF provides to best meet their individual needs. Several counties desire to reduce their assistance from DNR in exchange for funding that would allow them to hire contractors or seasonal staff to accomplish similar forestry work. The thought is that some of the forestry tasks may be done adequately using potentially lesser paid seasonal or contracted staff, with the end result being the ability to get more work done with the same amount of resources. The proposed grant program is structured to focus on accomplishing tasks already identified in the time standards agreement for each county, which guides what activities have typically been accomplished by DOF staff. This funding would provide for implementation of on-the-ground sustainable forestry practices.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

County Forestry Administrators (29 individuals), which is the group that would be the most affected by this rule.

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11. Identify the local governmental units that participated in the development of this EIA.

County Forestry Administrators (29 individuals), which is the group that would be the most affected by this rule.

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

Minimal impacts are expected. Depending on the level of grant funding utilized by County Forests under this grant program and whether grant funds are utilized to hire temporary employees or independent forestry contractors, there

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

could potentially be a small positive impact on the forestry consultant business sector.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

This proposed rule would allow additional flexibility for County Forests to select the optimal combination of resources provided to each by the Department. Each County Forest would periodically be given the opportunity to request a modification of the allocation of resources provided by the Department among a suite of grants and the hours of technical assistance the DOF provides to best meet their individual needs. The shift to additional grant funds would allow them to hire contractors or seasonal staff to accomplish similar forestry work. The thought is that some of the forestry tasks may be done adequately using potentially lesser paid seasonal or contracted staff, with the end result being the ability to get more work done with the same amount of resources.

The alternative to implementing the rule would be to continue offering County Forests the current suite of technical assistance and grant funding that is provided, without offering additional flexibility to customize the resources provided.

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14. Long Range Implications of Implementing the Rule

The long range fiscal implications of implementing the rule are minimal, as the rule would simply allow the same funding to be utilized for a wider range of grant programs and would not necessarily increase or decrease actual financial resources dedicated to the suite of grants for County Forests.

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15. Compare With Approaches Being Used by Federal Government

Not applicable.

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Not applicable. Neighboring states do not have similar county forest programs, which have the unique relationship between the state and county forest programs that exists in Wisconsin.

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17. Contact Name

Joe Schwantes

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18. Contact Phone Number

608-264-9217

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This document can be made available in alternate formats to individuals with disabilities upon request.

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes    No
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**ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD  
CREATING RULES**

The statement of scope for this rule, FR-07-12, was approved by the Governor on March 14, 2012, published in Register No. 675, on March 31, 2012, and approved by the Natural Resources Board on April 25, 2012. This rule was approved by the Governor on \_\_\_\_\_.

The Wisconsin Natural Resources Board proposes an order to create section, NR 47.65, related to directing the distribution of grant funding for a county forest time standards grant.

FR-07-12

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Analysis Prepared by the Department of Natural Resources

**1. Statutes interpreted:**

Section 28.11 (5r), Wis. Stats.

**2. Statutory authority:**

Section 28.11 (5r), Wis. Stats.

Section 227.11 (2)(a), Wis. Stats,

**3. Explanation of agency authority:**

DNR's responsibilities for coordination and support of the County Forest program can be found in s. 28.11(5) Wis. Stats. and the authority for sustainable forestry funding is included in 28.11(5r) Wis. Stats. S. 28.11(5r)(b) states: "The department may make grants, from the appropriation under s. 20.370(5)(bw), to counties having lands entered under sub.(4) to fund the cost of activities designed to improve sustainable forestry on the lands. Finally, Wis. Stat. s. 227.11 (2)(a) allows the DNR to promulgate rules for any statute if the DNR considers it necessary to effectuate the purpose of the statute. Without rulemaking authority for this rule, the DNR will not be able to administer or enforce the grant program authorized by statute, since the DNR would not be able to establish criteria that would uniformly apply across grant applicants without running afoul of the definition of "rule" found under Wis. Stat. s. 227.01(13).

**4. Related statutes or rules:**

Chapter NR 47.75 - Sustainable Forestry Grant For County Forests, establishes standards and procedures for implementation of a grant program to contribute funds to sustainable forestry practices on county forests under s. 28.11 (5r), Wis. Stats., specifically for projects that are suitable as a short term and unanticipated workload item consistent with a county's comprehensive county forest land use plan under s. 28.11 (5) (a), Wis. Stats.

**5. Plain language analysis:**

This proposed rule would create a new grant program, which would allow additional flexibility for County Forests to select the optimal combination of resources provided to each by the Department. Presently the DNR Division of Forestry (DOF) provides assistance to County Forests, aligning workload with the statutory role of the DNR in coordination of the County Forest program. An agreed upon number of hours are provided to each county based on the workload for that particular county. The DOF's Strategic Direction process in 2011-12 realigned forest resources to better accomplish the DOF's mission in Wisconsin's Statewide Forest Plan. As part of that process, each County Forest was given the opportunity to request a modification of the allocation of resources provided by the Department among a suite of grants and the hours of technical forestry assistance the DOF provides to best meet their individual needs. Several

counties (Clark, Eau Claire, Iron, Jackson and Langlade) desire to reduce their technical assistance from DNR in exchange for funding that would allow them to hire contractors or seasonal staff to accomplish similar forestry work. The thought is that some of the forestry tasks may be done adequately using potentially lesser paid seasonal or contracted staff, with the end result being the ability to get more work done with the same amount of resources. The proposed grant program is structured to focus on accomplishing tasks already identified in the time standards agreement for each county, which guides what activities have typically been accomplished by DOF staff. This funding would provide for on-the-ground sustainable forestry practices with the reallocation of funding into appropriation 20.370(5)(bw).

**6. Summary and comparison with existing and proposed federal regulations.**

This rule/grant does not impact and is not impacted by any federal regulations.

**7. Comparison of similar rules in adjacent states:**

This rule/grant is not similar to rules in any adjacent states. The County Forest Program, as established by s. 28.10 and s 28.11 Wis. Stats., is unique in the nation, in terms of the partnership and roles of the State and participating counties in the management of County Forest lands.

**8. Summary of factual data and analytical methodologies:**

This new rule/grant will be consistent with the goals established in the Division of Forestry's Strategic Direction conducted in 2011-12, which realigned forest resources to better accomplish the DOF's mission in Wisconsin's Statewide Forest Plan. The proposed rule/grant language was developed by a team that included several DOF staff members, the Executive Director of the Wisconsin County Forests Association, and three County Forest Administrators. The proposed language has been vetted and approved by the DOF's Leadership and Operations Team as well as the Wisconsin County Forests Association's Legislative & Certification Committee.

**9. Analysis and supporting documents used to determine effect on small business or in preparation of an economic impact analysis:**

The Division of Forestry is directly contacting County Forest Administrators, who would be most directly affected group affected by this proposed rule/grant to solicit their input in the development of the Economic Impact Analysis (EIA). The County Forest Administrators are the individuals that would be responsible for completing and submitting grant applications under the proposed rule, and therefore are in the best position to describe the potential impacts of the rule on their budgets and the small businesses they may potentially hire to complete sustainable forestry projects.

**10. Effect on small business:**

This rule/grant would provide an option for counties to receive grant funding as an alternative to DNR staff assistance, which could be used to hire temporary staff or contractors to accomplish sustainable forestry projects. As such, there could potentially be a minor economic impact on small businesses, if counties received grant funding and subsequently hired contractors for that work. The actual overall economic impact to small businesses in Wisconsin will be minimal, although a few small businesses may see significant benefits if selected to do contract work on County Forest projects.

**11. A copy of any comments and opinion prepared by the Board of Veterans Affairs under s. 45.03 (2m), Stats., for rules proposed by the Department of Veterans Affairs:**

Not applicable.

**12. Agency Contact (include email and telephone number):**

Joe Schwantes,  
County & Public Forest Specialist  
PO Box 7921  
Madison, WI 53707-7921  
[Joseph.Schwantes@wisconsin.gov](mailto:Joseph.Schwantes@wisconsin.gov)  
(608) 264-9217

**13. Place where comments are to be submitted and deadline for submission.**

Joe Schwantes,  
County & Public Forest Specialist  
PO Box 7921  
Madison, WI 53707-7921  
[Joseph.Schwantes@wisconsin.gov](mailto:Joseph.Schwantes@wisconsin.gov)  
(608) 264-9217

Written comments may also be submitted to the Department using the Wisconsin Administrative Rules Internet Web site at <http://adminrules.wisconsin.gov>.

Hearing dates and the comment submission deadline are to be determined.

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**Section 1. NR 47.65 is created to read:**

**NR 47.65 – County forest time standards grant program.**

(1) PURPOSE. The purpose of this section is to establish standards and procedures for implementation of a grant program to contribute funds towards accomplishing sustainable forestry practices which have been identified through the county forest time standards calculation for county forests, pursuant to the authority under s. 28.11 (5r) (b), Stats.

(2) APPLICABILITY. This section is applicable to those counties that have land entered under s. 28.11 (4), Stats., as county forest and which apply for an adjustment from the calculated level of technical forestry assistance provided by the department's division of forestry as established under the county forest time standards calculation.

(3) DEFINITIONS. As used in this section:

(a) "Comprehensive county forest land use plan" means the document governing management of the county forest which has been approved by the county board and the department, under s. 28.11 (5), Stats.

(b) "County" means a county that has entered county-owned land under the county forest law, in ss. 28.10 and 28.11, Stats.

(c) "County forest time standards" means to the agreement between the department and a county that quantifies the amount of technical forestry assistance the department provides to the county to fulfill s. 28.11 (5) and (6), Stats., responsibilities.

(d) "Fiscal year" means the time period commencing on July 1 and ending on June 30.

(e) "Nonprofit organization" has the same meaning as non-profit corporation, as described in s. 181.0103 (17), Stats.

(f) "Sustainable forestry" has the meaning given in s. 28.04 (1) (e), Stats.

(g) "Technical forestry assistance" means department staff time provided to assist a county in accomplishing the activities described in the county forest time standards and consistent with a county's comprehensive county forest land use plan.

**(4) ELIGIBLE PROJECTS.** To be eligible for a time standards grant, projects must meet all of the following requirements:

(a) Projects shall promote sustainable forestry on the county forest. Projects may include any of the activities identified through the county forest time standards which are not solely the responsibility of department.

(b) Projects shall be consistent with a county's comprehensive county forest land use plan under s. 28.11 (5) (a), Stats.

**(5) INELIGIBLE PROJECTS.** Projects that are not eligible for a time standards grant include, but are not limited to:

(a) Purchase of equipment and supplies.

(b) Permanent staff salary or benefits.

(c) Upgrade or replacement of existing computer software and hardware.

(d) Land surveying.

**(6) APPLICATION PROCEDURE.**

(a) Other than as provided in par. (c), a county may apply for a time standards grant under this section for the project purposes described in sub. (4). The application shall include, but is not limited to, all of the following:

1. Documentation of approval by county forestry committee as identified in s. 28.11 (3) (a), Stats., specifying the county's decision to apply for a time standards grant.

2. The project description including an estimated cost breakdown and a short narrative describing the proposed work to be accomplished and how it directly relates to the calculated time standard activities, to be signed and approved by the county forest administrator.

3. The amount of grant funding requested to accomplish the proposed work and the corresponding reduction in technical forestry assistance as described in sub. (7) (e)

4. Other information the department feels necessary and requests within 30 days following receipt of the application.

(b) Grant applications shall be for a minimum of \$1,000.00 with a maximum not to exceed the equivalent of 25% of a county's calculated county forest time standard. Applications shall be filed by the county with the department's division of forestry.

**Note:** The mailing address is WI DNR, Division of Forestry, P.O. Box 7921, Madison, WI 53707-7921 Attn: County Forest Specialist.

(c) A county is ineligible to apply if any of the following occur:

1. Management or internal county policy is in opposition to the comprehensive county forest land use plan, under s. 28.11 (5), Stats.

2. Previous unexpended funds from the grant program under this section are owed the department as described in sub. (8)(d).

3. A county fails to comply within 3 years to department forestry audit recommendations.

(d) Applications shall be for a 4 year period, set in conjunction with the state biennial budget covering a period of four state fiscal years, 2 state budgets.

(e) Grant applications shall be accepted during the period from October 1 to December 31 in every other odd numbered year. Grant awards for those applications shall be made no later than July 31 of the subsequent odd numbered year.

**Note:** For example, applications shall be accepted from October 1 – December 31, 2013 for funding during state fiscal years 2016-2019. Grant awards shall be made no later than July 31, 2015. Application years: 2013, 2017, 2021, 2025, 2029, etc.

(f) Funding amounts requested in grant applications shall be considered final once submitted.

(g) Applications may be submitted and grants awarded at other times if resources are available and circumstances are warranted, as determined by the department.

**Note:** For example, department vacancies.

**(7) GRANT AWARD PROCEDURE, FUNDING RATES AND CONSTRAINTS.**

(a) Payment of all grants shall be made by September 30 of the first year of the biennium. The grant covers a 4 year period, consequently the grant amount requested shall be split equally between the 2 state budget bienniums. Funding in the second biennium is subject to inclusion of adequate funding in the state budget for that period.

(b) A grant under this section may be awarded to a county to contribute to the funding of a subcontractor for the purposes described in sub. (4).

(c) The county shall submit information requested by and satisfactory to the department demonstrating project completion by January 31<sup>st</sup> following each biennium.

**Note:** For example, project accomplishment reports for the fiscal year 2016 & 2017 biennium are due by January 31, 2018. Accomplishment reporting years: 2018, 2020, 2022, etc. The mailing address is WI. DNR, Division of Forestry, P.O. Box 7921, Madison, WI 53707-7921 Attn: County Forest Specialist.

(d) Funding rates shall be based on eligible applications received by the department and total available funding for each of the biennial budget periods. In determining funding, all of the following shall apply:

1. Total eligible funding shall be based upon an appropriation under s. 20.370 (5) (bw), Stats., while reserving an amount of funds agreed to biannually by the department and a nonprofit organization that provides leadership and counsel to county forest administrators and that functions as an organizational liaison to the department as identified in s. 28.11(5m)(am) Stats., to address projected sustainable forestry grant project needs under s. NR 47.75 and funds to cover projected county forest administration grant needs under s. NR 47.70., based on the previous year's eligible administration grant requests plus a projected five percent annual growth of administration grant requests.

2. If full funding is not available due to insufficient funds to provide grants applied for, the department shall offer the applicants the choice of receiving pro-rated funding for the project up to the amount of available funding described in subd. 1, or withdrawal of the application.

(e) The calculated rate for conversion of technical forestry assistance to time standards grant funding shall be calculated by adding the average department forester hourly cost, factored at 75% of the calculated average, and the average department forestry technician hourly cost, factored at 25% of the calculated average, based on actual salary, fringe, and supply rates for the fiscal year proceeding the application period.

**(8) PROJECT COMPLETION ACCOUNTABILITY AND AUDIT PROCEDURES.**

(a) Grant funds may be spent only on eligible activities as described in sub. (4).

(b) All grant funds received from the department shall be deposited in the county state aid forestry account.

(c) All grant records shall be audited with the normal departmental audit of the county forest program.

(d) Any grant funds not spent on eligible costs by January 31<sup>st</sup> of the year in which reporting is required under sub. (7) (c) shall be returned to the department. Failure to return the funds shall render a county ineligible for any future grants under this section.

(e) A county may maintain funds contrary to par. (d) upon written approval from the department.

(f) Project scope may be amended over grant period as requested by the county forest administrator and contingent upon approval by the department.

**Section 2. EFFECTIVE DATE.** This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2) (intro.), Stats

**Section 3. BOARD ADOPTION.** This rule was approved and adopted by the State of Wisconsin Natural Resources Board on \_\_\_\_\_.

Dated at Madison, Wisconsin \_\_\_\_\_.

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL  
RESOURCES

By \_\_\_\_\_  
Cathy Stepp, Secretary

(SEAL)