

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person _____
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Phone: (225) 925-4500 Office: Forestry
Return Address: 5825 Florida Blvd, Suite 6000 Rule Title: Forest Productivity Program
Baton Rouge, LA 70806 (LAC 7:XXXIX. 1307)
Date Rule Takes Effect: October 20, 2016

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed amendments to LAC 7:XXXIX.1307, 1311 and 1315 will result in an increase in expenditures from the Forestry Productivity Fund. The proposed amendment to Rule 1307 allows private landowners to cost share two services at a higher rate through the Forest Productivity Program: Burn Site Preparation (up to \$25/acre) and Prescribed Burn Control of Competing Vegetation (up to \$20/acre) while also removing and/or consolidating some forestry practices that are not often used. The proposed amendment to Rule 1315 reduces the forestry practice implementation period from 24 months to 11 months in order to align the program with the state fiscal year. This will allow landowners to cost share up to \$15,000 per calendar year instead of every 24 months.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule changes are not anticipated to have a direct material effect on revenue collections of state or local governmental units.

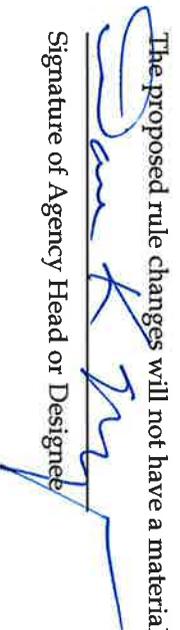
III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The amendment to Rule 1307 will allow private landowners to cost share some services at a higher rate through the Forest Productivity Program: Burn Site Preparation (up to \$25/acre) and Prescribed Burn Control of Competing Vegetation (up to \$20/acre). The amendment to Rule 1307 will allow for the deletion of services/practices that are not often used or are able to be cost-shared with the introduction of new services/practices and rates. The amendment to Rule 1315 may result in an economic benefit to landowners because it will allow them to cost share up to \$15,000 per year instead of every two years for qualified forestry practices/services.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes will not have a material effect on competition and employment.

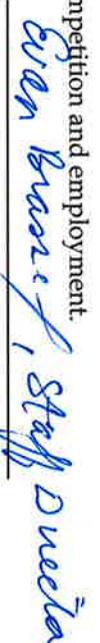
Signature of Agency Head or Designee



Dane Morgan, Assistant Commissioner
of Management and Finance, LDAF

8/10/16
Date of Signature

Legislative Fiscal Officer or Designee



8/10/16
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed amendment to LAC 7:XXXIX.1307 removes the following cost-share practices from the Forest Productivity Program because these practices are not often used or are able to be cost-shared with the introduction of new services/practices and rates:

Pine Direct Seeding (up to \$15/acre);
Hardwood Direct Seeding (up to \$30/acre);
Chemical and Burn Site Preparation (up to \$75/acre);
Mechanical and Burn (up to \$115/acre);
Burning Only Site Preparation for Natural Regeneration (up to \$15/acre);
Chemical or Mechanical Site Preparation for Natural Regeneration (up to \$65/acre);
Chemical and Burning Site Preparation for Natural Regeneration (up to \$75/acre);
Precommercial Thinning Control of Competing Vegetation (up to \$65/acre).

In addition, the category "burning only" for control of competing vegetation has been changed to "prescribed burn" and increased the cost share rate from \$15/acre to \$20/acre. Finally, cost share rate for the category "site preparation: burn only" has been increased from \$20/acre to \$25/acre and "Herschel Drag" has decreased from \$90/acre to \$40/acre.

Currently, Rule 1311 requires landowners to agree to maintain the land subject to a cooperative agreement in forestry usage for ten years from the date the department issues a certification of performance for the terms of the cooperative agreement. The proposed amendment to Rule 1311 removes that requirement when the approved practice is prescribed burning. This will encourage prescribed burning, which helps reduce the frequency and intensity of wildfires.

The proposed change to Rule 1315 changes the amount of time a landowner has to complete the forestry practices authorized by a cooperative agreement from 24 months to 11 months. This amendment will align the FPP with the state fiscal year. The amendment will also allow landowners to receive more money from the program.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The amendment to Rule 1307 is necessary to allow landowners to be able to receive a higher cost share amount for burning in site preparation and prescribed burning. The deletion of the other categories allows for a streamlined Forest Productivity Program by removing those services that are not often used.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule change is expected to result in an increase of other expenditures from the Forestry Production Fund..

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase? Not applicable.

(a) X Yes. If yes, attach documentation.

(b) NO. If no, provide justification as to why this rule change should be published at this time

The department indicates that it has sufficient budget authority to make the necessary reimbursements to landowners involved in the program. Payments made are derived from severance tax revenues paid to the LDAF Forestry Program.

All funds necessary to pay for the Forest Productivity Program are authorized by R.S. 3:4413.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

The proposed amendment to LAC 7:XXXIX.1307 will result in an indeterminable increase of expenditures for the LDAF Forestry Program (specifically the Forest Productivity Program).

COSTS	FY 16	FY 17	FY 18
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	INCREASE	INCREASE	INCREASE
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	0	0	0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The amendments to Rule 1307 remove the services/practices that are either not often used or are able to be cost-shared with the introduction of new services/practices and rates. In addition, the amendments raise the cost sharing rate for two services/practices. To the extent that landowners make use of any service eligible for cost sharing, LDAF will realize an indeterminable increase in expenditures. In addition, the amendment to Rule 1315 allows a landowner to cost share a maximum of \$15,000 every year instead of every two years. This will result in an increase in expenditures from the Forest Productivity Program.

3. Sources of funding for implementing the proposed rule or rule change.

Statutorily dedicated Forestry Productivity Fund.

SOURCE	FY 16	FY 17	FY 18
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated	INCREASE	INCREASE	INCREASE
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

The proposed rule will be administered using current personnel under the department's current budget.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

It is not anticipated that the proposed rule will have an impact on local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

It is not anticipated that the proposed rules will result in an increase of revenue collected by the department.

REVENUE INCREASE/DECREASE	FY 16	FY 17	FY 18
State General Fund	0	0	0
Agency Self-Generated	0	0	0
Dedicated Funds*	0	0	0
Federal Funds	0	0	0
Local Funds	0	0	0
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

Not applicable.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR
NONGOVERNMENTAL GROUPS**

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The amendment to Rule 1307 will allow private landowners to cost share two current services at a higher rate

The amendments to Rule 1307 will not require additional paperwork for the Forest Productivity Program, as paperwork is already filled out by the landowner and any changes to the paperwork to reflect the amended rules would be minimal. However, the amendment to Rule 1315 may require additional paperwork if a landowner chooses to apply for matching funds each fiscal year (the prior version of the rule only allowed submissions every two years).

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Not applicable.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rule changes will not have a material effect on competition and employment.