


Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: May 17, 2012

SUBJECT: Fiscal Impact Statement – “Urban Forestry Administration
Reorganization Amendment Act of 2012”

REFERENCE: Bill 19-484, Draft Committee Print as shared with the Office of Revenue
Analysis on May 14, 2012

Conclusion

Funds are not sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill will require additional resources of \$244,400 in FY 2014 and \$629,000 over the four year financial plan period at the Department of Environment. Additionally, the bill would increase special purpose fund revenues by \$550,400 in the four year financial plan period, but these additional revenues cannot be used towards offsetting the costs of the bill.

With the exception of two provisions, which can be implemented through existing resources, the bill is subject to its inclusion in an approved budget and financial plan.

Background

Currently, the Urban Forestry Administration, within the District Department of Transportation (DDOT), manages and oversees the District’s tree canopy. In order for a resident or business to remove a special tree,¹ they must apply for and receive a special tree permit from DDOT. The permit is \$35 per inch of circumference unless the tree is deemed hazardous by DDOT, is of a species appropriate for removal, or the removing entity plants saplings with aggregate circumference equal to the trees being removed. DDOT actively manages all trees in the public right-of-way and assists in the oversight of trees in public and private space.

¹ A special tree is one 55 inches or larger as measured at 4.5 feet high.

The bill amends the Urban Forest Preservation Act of 2002² by assigning various management and oversight responsibilities related to the District's tree canopy to three agencies: District Department of the Environment (DDOE), DDOT, and Department of General Services (DGS).

- DDOE is the lead agency for administering the Urban Forest Preservation Act of 2002 overseeing trees in private space, making determinations on hazardous trees in private and public space, track all District efforts to preserve, protect, and enhance the tree canopy, administer the Tree Fund (Fund),³ and prepare and update the 5-year urban forest master plan.
- DDOT is responsible for managing right-of-way trees, making determinations on hazardous trees in the right-of-way, and tracking and reporting tree activities to DDOE.
- DGS is responsible for managing trees in public space, providing notice to affected Advisory Neighborhood Commissions regarding special tree removals, and tracking and reporting tree activities to DDOE.

The bill reduces the size of a special tree from 55 inches to 40 inches and provides greater restrictions over the removal of special trees. DDOE will issue permits for special tree removals and will no longer allow saplings with aggregate circumference equal to the tree(s) being removed in lieu of payment into the Fund. The bill requires that a determination of a hazardous tree can only be made by a certified International Society of Arboriculture arborist. Additionally, any person or entity removing a tree in the District for a fee must obtain a District business license⁴ and is subject to increasing fines and license revocation for violations of the bill. DDOT does not need to obtain a permit to remove trees in the right-of-way.

The bill also transfers administrative control over the Fund from DDOT⁵ to DDOE and allows for grants to be issued out of the Fund to assist in carrying out the goals of the bill.

Lastly, DDOE is required to establish and lead stakeholder meetings to discuss the District's efforts to preserve, protect, and enhance the tree canopy and its management of various regional and federal programs.⁶

Financial Plan Impact

Funds are not sufficient in the FY 2012 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. With the exception of two provisions, the bill is subject to its inclusion in an approved budget and financial plan.

DDOE's increased responsibilities related to the Urban Forest Preservation Act of 2002 require five additional staff members and other materials and equipment. The costs account for two personnel and equipment and are \$244,400 in FY 2014⁷ and \$629,000 in the four year financial plan. The three additional personnel will be absorbed by DDOE's existing resources.

² Effective June 12, 2003 (D.C. Law 14-309; D.C. Official Code § 8-651.01 *et seq.*).

³ D.C. Official Code § 8-651.07.

⁴ This is not currently required.

⁵ DDOT administers the Fund on behalf of the Mayor.

⁶ These programs include the Chesapeake Bay Program and MS4 Storm Sewer Permit.

⁷ The bill does not require additional personnel resources until October 1, 2013.

The reduction in the special tree size from 55 inches to 40 inches will increase the population of trees subject to a permit for removal by approximately 67 percent. This will generate additional revenues in FY 2014 of \$169,700 and \$550,400 in the four year financial plan. The allowable uses of these funds do not include personnel costs associated with implementation of urban forest preservation laws.

Estimated Fiscal Impact of Bill 19-484					
Urban Forestry Administration Reorganization Amendment Act of 2012					
FY 2013 through FY 2016					
Impact on the Local fund					
	FY 2013	FY 2014 ^a	FY 2015	FY 2016	Total
Personnel ^b	\$0	(\$180,100)	(\$188,100)	(\$196,500)	(\$564,700)
Equipment	\$0	(\$64,300)	\$0	\$0	(\$64,300)
Total Impact on the Local Fund	\$0	(\$244,400)	(\$188,100)	(\$196,500)	(\$629,000)
Impact on Special Purpose Revenue					
	FY 2013	FY 2014	FY 2015	FY 2016	Total
Tree Fund	\$0	\$169,700	\$184,000	\$169,700	\$550,400

Table Notes

^a The bill is effective October 1, 2013.

^b Includes one FTE at DS 11 and one FTE at DS 14.

The bill is subject to its inclusion in an approved budget and financial plan, but two components are excluded. These are the establishment of stakeholder meetings⁸ and the requirement to obtain a special tree permit.⁹ Costs associated with the stakeholder meetings can be absorbed in DDOE's existing resources and the permit process stays under DDOT's oversight until the full bill is implemented.

DDOT currently implements the Urban Forest Preservation Act of 2012 and the Office of Revenue Analysis does not have sufficient information to certify that the transfer of responsibilities from DDOT to DDOE would result in cost savings at DDOT.

⁸ Sec. 109 of Bill 19-484.

⁹ Sec. 104(b) of Bill 19-484.