


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



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** November 28, 2012

**SUBJECT:** REVISED 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 November 20, 2012

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*This revised fiscal impact statement reflects changes made to the bill by the Committee on the Environment, Public Works, and Transportation and replaces the statement issued on May 17, 2012.*

**Conclusion**

Funds are not sufficient in the FY 2013 budget and the proposed FY 2013 through FY 2016 budget and financial plan to implement the bill. The bill will require additional resources of \$244,300 in FY 2014 and \$628,900 over the four year financial plan period at the Departments of Environment and Transportation. Additionally, the bill would increase special purpose fund revenues by \$550,400 in the four year financial plan period.

With the exception of two provisions, which can be implemented through existing resources, the implementation of 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,<sup>1</sup> 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.

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<sup>1</sup> 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 2002<sup>2</sup> by assigning various management and oversight responsibilities related to the District's tree canopy to two agencies: District Department of the Environment (DDOE) and DDOT.

- 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 space, tracking all District efforts to preserve, protect, and enhance the tree canopy, administering the Tree Fund (Fund),<sup>3</sup> and preparing and updating the 5-year urban forest master plan.
- DDOT is responsible for managing public space<sup>4</sup> and right-of-way trees, making determinations on hazardous trees in the public space and right-of-way, tracking and reporting tree activities to DDOE, and providing notice to affected Advisory Neighborhood Commissions regarding special tree removals on public space.

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. The Mayor 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 license<sup>5</sup> and is subject to increasing fines and license revocation for violations of the bill.<sup>6</sup> DDOT and public utility companies do not need to obtain permits to remove trees in the right-of-way and public space.<sup>7</sup>

The bill also transfers administrative control over the Fund from DDOT<sup>8</sup> to DDOE and allows for grants to be issued out of the Fund to assist in carrying out the goals of the bill. The funds can be used for planting trees on private property, public space, and public parking spaces, maintaining trees on public space, and DDOE and DDOT costs of administering this act.

Lastly, DDOE and DDOT are required to establish and co-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.<sup>9</sup>

### **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. The bill will require additional resources of \$244,300 in FY 2014 and \$628,900 over the four year financial plan period at the Departments of Environment and Transportation. Additionally, the bill would increase special purpose fund revenues by \$550,400 in

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

<sup>3</sup> D.C. Official Code § 8-651.07.

<sup>4</sup> Public Space is defined in the bill as District government-owned space that is not considered right-of-way (includes schools, parks, and recreation centers).

<sup>5</sup> This is not currently required.

<sup>6</sup> The businesses license will be revoked upon the 3<sup>rd</sup> violation of this act.

<sup>7</sup> The public space exemption applies to DDOT only.

<sup>8</sup> DDOT administers the Fund on behalf of the Mayor.

<sup>9</sup> These programs include the Chesapeake Bay Program and MS4 Storm Sewer Permit.

the four year financial plan period. 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 three additional staff members and other materials and equipment. Two of the personnel can be absorbed within DDOE's existing resources. The costs for one additional staff member and equipment are \$168,100 in FY 2014<sup>10</sup> and \$390,000 in the four year financial plan.

Currently, the Department of General Services (DGS) manages tree issues, as the partial responsibility of a number of DGS employees, and operates in a reactive manner in dealing with tree issues on public space. The bill requires DDOT to manage all trees in public space in a manner that will include proactive maintenance and planting and reactive tree problem abatements. The increase in activity associated with DDOT assuming control of DGS' tree population will require one additional staff member at a cost of \$76,200 in FY 2014 and \$238,900 in the four year financial plan.

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.

<b>Estimated Fiscal Impact of Bill 19-484</b>					
<b>Urban Forestry Administration Reorganization Amendment Act of 2012</b>					
<b>FY 2013 through FY 2016</b>					
<b>Impact on the Local Fund <sup>a</sup></b>					
	<b>FY 2013</b>	<b>FY 2014 <sup>b</sup></b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>Total</b>
<b>DDOE Personnel <sup>c</sup></b>	\$0	(\$103,800)	(\$108,500)	(\$113,400)	(\$325,700)
<b>DDOE Equipment</b>	\$0	(\$64,300)	\$0	\$0	(\$64,300)
<b>DDOT Personnel <sup>d</sup></b>	\$0	(\$76,200)	(\$79,600)	(\$83,100)	(\$238,900)
<b>Total Impact on the Local Fund</b>	<b>\$0</b>	<b>(\$244,300)</b>	<b>(\$188,100)</b>	<b>(\$196,500)</b>	<b>(\$628,900)</b>
<b>Impact on the Tree Fund</b>					
	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>Total</b>
<b>Tree Fund</b>	\$0	\$169,700	\$184,000	\$196,700	<b>\$550,400</b>

Table Notes

<sup>a</sup> The bill allows costs to be covered by Tree Fund resources, but it is unlikely that all costs will be absorbed by the Fund as that will significantly impact the ongoing operations of the Fund.

<sup>b</sup> The bill is effective October 1, 2013.

<sup>c</sup> Includes one FTE at DS 14.

<sup>d</sup> Includes one FTE at DS 12.

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<sup>10</sup> The bill does not require additional personnel resources until October 1, 2013.

The Honorable Phil Mendelson

Revised FIS: B19-484, "Urban Forestry Administration Reorganization Amendment Act of 2012," Draft Committee Print as shared with the Office of Revenue Analysis on November 20, 2012

The bill is subject to its inclusion in an approved budget and financial plan, however, there are two components that can be implemented with existing resources. These are the establishment of stakeholder meetings<sup>11</sup> and the requirement to obtain a special tree permit.<sup>12</sup> 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.

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<sup>11</sup> Section 109 of Bill 19-484.

<sup>12</sup> Section 104(b) of Bill 19-484.