

Southern Group of State Foresters Policy Brief **State and Private Forestry IIJA and IRA Funding Status Update**

With the passage of the Infrastructure Investment and Jobs Act (IIJA) (aka Bipartisan Infrastructure Law (BIL)) in November 2021 and the Inflation Reduction Act (IRA) in August 2022, state foresters now have a significant number of new program opportunities and funding streams to manage. SGSF will be providing status updates as needed on these and other opportunities to support state foresters.

IIJA Funding Updates

Forest Action Plan Implementation Funding – IIJA included funding for states to implement the highest priorities from their Forest Action Plans. Each state has chosen their mix of funding for FY22 and FY23 from among Forest Stewardship, Urban and Community Forestry, Forest Health, and State Fire Assistance (Table 1). USFS-R8 has executed all the FY22 grants and FY23 modifications for additional funds, and worked with state POCs on four quarters of progress reporting. **USFS and State Forester Association staff have crafted guidance for FY24 funding, which will use one BLI for the funding rather than one for each program area. States will not be required to choose a mix of funding however will still need to specify what type of programmatic work (Stewardship/Rural Forestry Assistance, State Fire Assistance, Urban and Community Forestry, Forest Health Protection) is proposed in their applications. The Request for Applications will be sent out to States in late January. Available amounts by state are listed in Table 2.**

Forest Health Funding – IIJA included funding for invasive species detection, prevention and eradication. Each year states receive \$45K/yr to bolster forest health capacity. Additional funding supports state priority projects as developed by the SGSF Forest Health Committee. **The FY24 invasive species priorities discussion that determines how FY24 project funding will be focused will occur at the Forest Health Committee meeting in late January.** Once FY24 regional priorities are decided by state cooperators, an RFP will go out to state partners (February) and projects will be funded based on these regional priorities (late spring). FY24 funding for priority projects will be equal to or greater than FY23 levels (\$1.952 M).

State and Volunteer Fire Assistance Funding – IIJA included funding for SFA Response and VFA, which is being allocated to states based on the standard base allocation formulas. These are in addition to the regular annual appropriations for SFA and VFA. States have received their FY22 and FY23 funding. USFS-R8 continues to work with state POCs on BIL quarterly progress reporting; to include annual FY23 accomplishments reports for both BIL and regular appropriations grants activities. **USFS-WO tentatively anticipates allocating FY24 SICF and SIVF funds to the regions in mid-February, meaning states will likely see Requests for Application (RFA) packages in late March or early April.**

Community Wildfire Defense Grants – IJA authorized this new \$1B grant program, for which a state/federal task group created the guidelines.

- FY22 funding recipients were announced on March 20, with southern recipients including projects in GA, KY, NC and OK (<https://www.fs.usda.gov/managing-land/fire/grants/funded-proposals>). All Round 1 Competitive awards have been awarded and applicants have been provided feedback on their applications.
- **The FY23 CWDG funding opportunity** was announced on July 31. The application period closed on November 4. **There were 536 applications submitted nationwide, with 100 from the Southern Area (Table 3). These applications need to be verified, and they will undergo review and scoring. Training for reviewer/scorers occurred on January 11, 2024 and a link to the recording has been sent to SGSF reviewers.**
- **FY23 Opt-in, Partial Opt-in, or Opt-out status is listed in Table 3. FY23 base funding was added through a modification to the FY22 base funding grants.** After the Round 2 awards are announced, states will be asked how they want to participate (Opt-in, Partially Opt-In, or Opt-out) and at what funding level for FY24. **FY24 Base Funding will be awarded as a new grant.**

Nursery Support Funding – IJA included funding to support the National Reforestation Strategy, of which the USFS has made ~\$5.5M/yr available to support state nurseries.

- NASF issued RFPs for FY22 and FY23 funding, with 11 southern states submitting proposals for funding, available at \$160K/eligible state. **USFS-R8 has executed all the FY22 and FY23 grants.**
- FY23 end-of-year accomplishment reporting has been submitted by the states. This includes baseline production data. This data will be used to gauge changes in seedling/seed production due to this funding source.
- USFS is gathering information for **a more strategic focus for funding in FY24, particularly how to incorporate overlap with NFS nurseries. Tentative timeline for guidance is March 2024. FY24 funding will be added to current grants as modifications.** States will have the opportunity to use previous scopes of work or submit new scopes.
- Monthly memos to Secretary Vilsack reporting success stories are being submitted by USFS WO. **States are encouraged to share any successes with USFS Region Program Manager either within quarterly/annual reporting or as they are identified.**

Skidder Bridge Funding – IJA included funding for portable skidder bridge rental/loaner/cost-share programs for states and tribes at \$8M/yr. RFPs have been issued for both FY22 and FY23 funding. **Six southern states have received funding. The funding announcement included notice of approval of the waiver states requested on tracking of bridges below \$35,000 in value.** Going forward, a rolling application period will be used, with the program open and available for response with applications due the last Friday of each April, August and December. Funding decisions will be made within 30 days of the due dates. **The USFS is currently discussing with their legal counsel whether this program can only be for “rental programs” going forward, potentially impacting use of the “cost-share program” model.** USFS-R8 will

be working with state partners as much they are able to execute projects without burdens on state partners or loggers, and all existing agreements can go forward as planned.

Firewood Banks Funding – IJA included funding to support local firewood banks. \$824,000 was available for FY23, and as of November 13th all available funding has been allocated. Any applications submitted past this date will be added to a waitlist. Funding recipients can be found at <https://www.firewoodbanks.org/grantees-23-24>, with the following recipients from the South. Information on the FY24 application and eligibility process can be found at <https://www.firewoodbanks.org/copy-of-overview>.

- Crossfire United Methodist Church Wood Ministry, Yadkinville, NC, \$2,421
- Hinton Rural Life Center, Hayesville NC, \$19,920
- Start A Spark of Central Virginia, Inc., Troy, VA, \$9,899
- Eastern Band of Cherokee Indians, Cherokee, NC, \$40,000

Match Waivers - All 13 states applied for and were approved for FY22 match waivers for eligible IJA funding. Current direction is that match waivers will have to be requested again when a new grant is issued. For FY23 funding, USFS-R8 is modifying the grants that contained FY22 funding meaning no additional match waiver requests will be needed unless otherwise specified. **For the funding streams for which USFS-R8 plans on initiating new agreements for FY24 funding, additional match waiver requests will be needed.**

IRA Funding Updates

Landowner Assistance Funding – IRA included funding for 4 specific provisions to be accomplished using LSR authority:

1. \$150M for cost-share to carry out climate mitigation or forest resilience practices in the case of underserved forest landowners
 2. \$150M for grants to support the participation of underserved forest landowners in request emerging private markets for climate mitigation or forest resilience
 3. \$100M for grants to support the participation of forest landowners who own less than 2,500 acres of forest land in emerging private markets for climate mitigation or forest resilience
 4. \$50M for grants to states and other eligible entities to provide payments to owners of private forest land for implementation of forestry practices that provide measurable increases in carbon sequestration and storage
- USFS-WO is reaching out to their Office of General Counsel for a number of rulings on how much this funding will have to tier to the current LSR processes
 - To support decision-making for this funding, NASF and USFS have collected information on existing state cost-share programs and staff capacity.

- **On September 11, USFS-R8 sent state foresters guidance for a *noncompetitive* funding opportunity for states that want to expand landowner assistance for historically underserved landowners. This was a revision of guidance issued from NASF on July 17. The deadline for state proposal submission was October 8. 9 SGSF member states applied. USFS-R8 is in the proposal review process and hopes to get finalized awards by the end of January so states can receive funding and start their work.**
 - The amount available for each state is \$100K/yr for each of the next 5 years, with a maximum award of \$500K.
 - Funds can be used to develop programs for reaching underserved landowners, hire staff capacity, and fund partners. Funds are not allowed to be used to make cost-share or direct payments to landowners.
 - USFS-R8 formed a working group comprised of the underserved landowner leads for each state to foster dialogue and answer questions.
 - States committed to involvement in a national “Community of Practice” as part of their proposals, the meeting framework and logistics of which are currently being discussed.
- **On August 22, USDA announced a *competitive* Notice of Funding Opportunity of up to \$150M for projects to support the participation of underserved and small-acreage forest landowners in emerging private markets for climate mitigation and forest resilience (Provisions 2 and 3 from the legislation). [The application package](#) has been published on Grants.gov. There are three funding opportunities through this NOFO:**
 - **Track A:** ~\$100M for proposals from \$2M to \$25M from eligible entities, including state agencies, which closed on October 25.
 - **Track B:** ~\$50M for proposals less than \$2M from eligible entities, including state agencies, accepted through August 21, 2024 and reviewed quarterly.
 - **Track C:** ~\$50M open to nonprofit organizations with a mission focused on sustainable forestry and/or forest conservation, with applications accepted on a rolling basis.
 - **Award announcements for both Track A and B are expected in February/March 2024.**
- **Funding for provisions 1 (cost-share) and 4 (landowner payments) from the legislation are still under development:**
 - Provision 1 (cost-share) is expected to be only for states (noncompetitive) while Provision 4 (payment for practices) will likely be open to a broader range of applicants (competitive). The intent is that even states that don’t currently have cost-share programs will still be eligible to apply for either funding opportunity, and the USFS-WO is standing up a technical working group to discuss which practices may be eligible. **Funding opportunities are expected to be announced in fall 2024.**

Urban and Community Forestry Funding – IRA included \$1.5B for state agencies and other eligible entities for tree planting and related activities.

- USFS released an Advice Notice to states with proposals due February 28, 2023. 12 southern states worked with USFS-R8 staff to put forward \$137.97M in proposals, which the region submitted to USFS-WO. **Funding announcements were made on April 12, with SGSF member states receiving \$65.85M (Table 4).** States are being asked to get funding to the ground through their pass-through grant programs within six months of the grant execution date. All states that have made the request for their funds have received them. **Several states (GA, VA, NC, TX, TN) have already released their request for proposals (RFP) for the first round of funding and the rest will be releasing their RFPs within the coming months.**
- A \$1B public notice of funding opportunity was released on April 20, 2023 open to community-based organizations, tribes, municipal and state governments, nonprofit partners, and universities. **Funding recipients were announced on September 14, and can be found at <https://www.fs.usda.gov/managing-land/urban-forests/ucf/2023-grant-funding>.** USFS-R8 held meetings with the 37 grant recipients in the southern region from October through December 2023. The majority of the awardees received less than what they originally asked for and are now working with the UCF program manager to revise their proposal narratives and budgets accordingly. **The goal is to have all 37 awarded before March 31, 2024.**

Forest Legacy Program Funding – IRA included \$700M for Forest Legacy administrative and acquisition grants to be awarded to states. The USFS plans to obligate all the IRA funding into grants by September 30, 2027, which will expire September 30, 2031. Categories for IRA Forest Legacy funding opportunities are outlined below:

- **Administration/capacity grants** – Increased funding to states to support development and implementation of additional projects, and to accelerate overall pace of acquisitions. **All SGSF member requests for FY23 administrative and IRA capacity funding were approved. The call letter for FY24 administrative funding will be sent by February 2, 2024 will be due May 17, 2024.** LWCF and IRA funding must be accounted for separately; however, the purpose of the administrative funding remains the same. Funding should be spent within a two-year timeframe to help states build capacity.
 - Up to \$50,000 of base administrative funding (available each year through annual LWCF appropriations);
 - Up to \$250,000 in IRA capacity funding (this level of funding is available on an annual basis through FY27 to enhance state capacity);
 - Alternatively, states can request greater amounts of funding in FY24 to be issued in a multi-year grant for added budget predictability and planning. The five-year (FY23 - FY27) total available per State is capped at \$1.5M including both LWCF base administrative and IRA capacity funds.

- **USFS has made additional IRA Forest Legacy funding available for three project proposal categories as outlined below. Proposals for the FY24 second round are due to USFS-R8 by April 17, 2024:**
 - **Keystone large-landscape projects** – A large scale, high impact project on an ecologically and economically significant landscape where a significant investment available at one time may make a conservation outcome of interest to family or corporate landowners that otherwise might not be interested.
 - **Strategic small tracts/ family forest projects** – Conservation easement or fee projects that protect strategic inholdings or adjacent properties to already protected lands (including but not exclusive to FLP conserved lands).
 - **Tribal partnership projects** – Projects where the State is actively partnering with Tribes to conserve lands with high importance and benefits for these Tribes.
 - **States can submit up to five projects in each round for funding consideration within the following project types/category:**
 - 1) One Large Landscape project – not to exceed \$50M per project.
 - 2) One State-Tribal Partnership project – not to exceed \$50M per project.
 - 3) Three Strategic Small Tract projects – not to exceed \$1.5M per project.

Wood Innovations Grants and Community Wood Grants Funding – IRA included \$100M for Wood Innovation Grants, and IJA included funding for both Wood Innovation and Community Wood Grants. Both these funding opportunities were combined with annual appropriations in the FY23 WIG and CWEP RFP. Funding recipients were announced on June 9 (Table 5). **The FY24 WIG and CWEP funding opportunity was announced on October 18, and proposals were due for both programs on December 15. USFS expects to announce funding in early April.**

Other Updates

Supplemental Funding for Forest Inventory and Analysis – All supplemental agreements are executed. USFS-SRS is also funding AL to do work across the state line in TN. In addition to state agreements, USFS-SRS is funding an agreement with SGSF to allow state employees to work across state lines as private contractors (AR employees in OK and NC employees in KY).

The **FY24 State Fire Capacity (aka SFA) Hazard Mitigation** grant opportunity is posted on grants.gov with opportunity number USDA-FS-2024-SGSF-MIT. **The deadline for submissions has been extended to January 29, 2024.** Funding is not yet guaranteed, and the amount available will be determined after Congress passes FY24 appropriations.

FY24 State Fire Capacity (aka SFA) SFA Response – Guaranteed base funding of \$100,000 for each Southern Area State totaling \$1.3M has not officially been distributed by USFS-WO yet. Amounts available for the remainder of SFA Response as well as **FY24 Rural Fire Capacity (aka VFA)** will be determined after Congress passes FY24 appropriations.

FY24 Landscape Scale Restoration – The FY24 call for LSR pre-proposals went out from USFS-R8 on August 18 and a conference call to discuss the 25 pre-proposals received occurred on October 26. Full proposals were due through Grants.gov by December 15. **Seventeen full proposals were submitted for \$5,159,665 (14 single state, 3 multistate).**

FY24 Community Forest and Open Space Program - Grant applications were due January 12. Eligible entities had to submit applications to the State Forester or equivalent Tribal official by the deadline.

The **FY26 LWCF (annual funding) Forest Legacy** project proposals will be due to the Region in August 2024.

Success Stories – The SGSF Communications Committee is working on a format for gathering success stories from the full array of IIA and IRA funding sources to help fulfill time-sensitive requests from the USFS, NASF and SGSF and support state foresters.

Monthly IRA/BIL Grants Forum – NASF IRA/BIL coordinator Jeff Burns is now hosting a monthly call for all state staff on the first Thursday of every month at 3pm eastern to discuss all things IRA/BIL, including funding opportunities, success stories, lessons learned, etc.

TABLE 1 – State Agency Allocations for FY23 IIJA Forest Action Plan Implementation

State	Forest Stewardship \$	Urban and Community Forestry \$	Forest Health-Coop \$	State Fire Assistance \$	Total
AL				\$681,000	\$681,000
AR	\$136,000			\$545,000	\$681,000
FL	\$257,000	\$458,000	\$402,000		\$1,117,000
GA	\$331,000	\$76,000	\$0	\$540,000	\$947,000
KY	\$197,000	\$160,000	\$176,000		\$533,000
LA				\$454,000	\$454,000
MS		\$111,000		\$581,000	\$692,000
NC	\$307,000	\$67,000	\$67,000	\$307,000	\$748,000
OK	\$101,000	\$0	\$87,000	\$271,000	\$459,000
SC	\$121,000	\$0	\$76,000	\$559,000	\$756,000
TN	\$406,000		\$52,000	\$187,000	\$645,000
TX	\$456,000	\$456,000	\$456,000	\$456,000	\$1,824,000
VA	\$61,000	\$270,000	\$541,000	\$0	\$872,000
13 State Totals	\$2,373,000	\$1,598,000	\$1,857,000	\$4,581,000	\$10,409,000

TABLE 2 – State Agency Allocations for FY24 IIJA Forest Action Plan Implementation

State	SIAP (All Programs)
Alabama	\$711,000
Arkansas	\$711,000
Florida	\$1,167,000
Georgia	\$988,000
Kentucky	\$556,000
Louisiana	\$474,000
Mississippi	\$722,000
North Carolina	\$781,000
Oklahoma	\$480,000
South Carolina	\$789,000
Tennessee	\$673,000
Texas	\$1,903,000
Virginia	\$910,000
TOTAL	\$10,865,000

TABLE 3 – FY23 CWDG Decisions, Funding and Proposals Received by State

State Agency	FY23 Opt-in/out	\$ amount requested for Base Funding FY23	FY23 Applications Submitted (as of 11/13)
Alabama Forestry Commission	Opt Out Fully	\$0	1
Arkansas Forestry Commission	Opt In	\$0	9
Florida Forest Service	Opt Out*	\$0	4
Georgia Forestry Commission	Opt In	\$50,000	11
Kentucky Division of Forestry	Opt In	\$400,000	5
Louisiana Department of Agriculture and Forestry	Opt Out*	\$0	1
Mississippi Forestry Commission	Partially Opt In	\$0	3
North Carolina Forest Service	Partially Opt In	\$50,000	14
Oklahoma Forestry Services	Opt In	\$290,000	9
South Carolina Forestry Commission	Partially Opt In	\$50,000	3
Tennessee Division of Forestry	Partially Opt In	\$50,000	2
Texas A&M Forest Service	Opt In	\$400,000	34
Virginia Department of Forestry	Opt In	\$160,000	2
Total		\$1,450,000	100**
* FL and MS chose to opt-out for FY23 but will continue to work to support CWDG with FY22 base funding			
** Regional total includes two proposals from Puerto Rico			

TABLE 4 – FY23 IRA Urban and Community Forestry Funding Awards

State	Proposal Level	Funded Level
Alabama	\$10,000,000	\$3,375,000
Arkansas	\$2,500,000	\$1,875,000
Florida	\$7,879,500	\$3,750,000
Georgia	\$14,421,500	\$9,750,000
Kentucky	\$6,269,000	\$2,250,000
Mississippi	\$3,415,300	\$1,500,000
North Carolina	\$10,043,278	\$6,375,000
Oklahoma	\$3,895,587	\$1,875,000
South Carolina	\$3,870,082	\$2,625,000
Tennessee	\$9,027,300	\$4,125,000
Texas	\$48,521,200	\$21,750,000
Virginia	\$18,122,594	\$6,600,000
TOTAL	\$137,965,341	\$65,850,000

Table 5 – FY23 Wood Innovation and Community Wood Innovation Grant Recipients

FY23 Wood Innovation Grant Recipients from the South		
State	Recipient	Funding
AL	Auburn University Auburn Timber Collaborative	\$299,494
AR	University of Arkansas SIPs-Based Pocket Neighborhood for a Rural Timberland Community	\$213,167
FL	University of Miami Putting Florida Forests To Work: Developing Mass Timber Florida Buildings Typologies	\$125,000
FL	BBCJ Lumber LLC Canter/Planer Mill	\$300,000
GA	Southern Legacy Wood Products Southern Legacy Wood Products Energy Efficiency Renovation and Expansion	\$300,000
GA	Claude Howard Lumber Co Inc Gangsaw Upgrade	\$83,454
GA	Georgia Forestry Commission Georgia Forestry Commission Industrial Mass Timber Fire Prevention Workshop	\$63,857
KY	Dunaway Timber Company Wood Pellet Plant in Western Kentucky	\$300,000
LA	Southern Packaging, Inc. Southern Packaging's New Mill Investment Boosts Local Economy, and Helps Improve Forest Health	\$300,000
NC	Appalachian State University Optimization of Hybrid Mass Timber Structures for Carbon Positive Affordable Housing	\$200,000
PR	Centro para la Conservación del Paisaje Analysis of the wood product supply chain in Puerto Rico	\$214,000
PR	Puerto Rico Hardwoods Expanding Puerto Rico Hardwoods wood production and quality	\$174,891
TN	Thompson Appalachian Hardwoods Log Merchandising System for Expanded Forest Utilization in Southern Appalachia	\$300,000
VA	Virginia Polytechnic Institute and State University Maximizing Hardwood Utilization in CLT Through the Use of Random Width Lumber	\$142,336
VA	Virginia Polytechnic Institute and State University Increasing mass timber utilization for multi-use industrial buildings	\$90,458
FY23 Community Wood Energy Grant Recipients from the South		
KY	BPM Lumber - Hardwood AI Optimized Grading & Ripping Vision Scanning System	\$1,197,848
KY	Heatman Charcoal - Prime 6 Biochar Manufacturing Facility	\$950,000
TN	Cumberland Cooperage - Kiln and Boiler System Upgrade	\$1,000,000
VA	North Fork Lumber - Expanding Production Capacity by Installing New Biomass Fueled Kilns and Upgrading Sawmill Equipment	\$945,254
VA	TIMBERKRAFT - 1st Hardwood CLT Manufacturing Facility in Western Virginia	\$999,547