

**STATE OF RHODE ISLAND AND  
PROVIDENCE PLANTATIONS  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
SUSTAINABLE WATERSHEDS OFFICE**

**GUIDELINES FOR THE DISTRIBUTION OF ALTERNATIVE FOREST  
USE CHALLENGE GRANTS**



October 2003

Regulation #:

**AUTHORITY:** These guidelines are adopted pursuant to Chapters 2-10-8 and 42-17.1 in accordance with chapter 42-35 of the Rhode Island General Laws of 1956, as amended.

# **GUIDELINES FOR DISTRIBUTION OF ALTERNATIVE FOREST USE CHALLENGE GRANTS**

## Table of Contents

<b>RULE 1. PURPOSE .....</b>	<b>3</b>
<b>RULE 2. AUTHORITY .....</b>	<b>3</b>
<b>RULE 3. ADMINISTRATIVE FINDINGS.....</b>	<b>3</b>
<b>RULE 4. APPLICABILITY .....</b>	<b>4</b>
<b>RULE 5. DEFINITIONS.....</b>	<b>4</b>
<b>RULE 6. ADVISORY COMMITTEE.....</b>	<b>6</b>
<b>RULE 7. MEETINGS .....</b>	<b>6</b>
<b>RULE 8. ELIGIBILITY.....</b>	<b>6</b>
<b>RULE 9. APPLICATION PROCEDURE.....</b>	<b>7</b>
<b>RULE 10. EVALUATION AND AWARD.....</b>	<b>8</b>
<b>RULE 11. ADMINISTRATION OF FUNDS.....</b>	<b>8</b>
<b>RULE 12. SEVERABILITY.....</b>	<b>9</b>
<b>RULE 13. EFFECTIVE DATE .....</b>	<b>9</b>
APPENDIX A. ALTERNATIVE FOREST USE CHALLENGE GRANT APPLICATION.....	10
APPENDIX B. CHALLENGE GRANT RANKING CRITERIA .....	11

# **GUIDELINES FOR DISTRIBUTION OF ALTERNATIVE FOREST USE CHALLENGE GRANTS**

## **RULE 1. PURPOSE**

The purpose of this policy is to establish procedures for the distribution of challenge grants for implementing alternative forest based businesses. The Department of Environmental Management Sustainable Watersheds Office in cooperation with the Division of Forest Environment and Division of Agriculture are responsible for administering the program.

This policy will:

- (A) Define projects eligible for inclusion;
- (B) Set eligibility requirements;
- (C) Specify standards for reimbursable expenses.

## **RULE 2. AUTHORITY**

These policies are adopted pursuant to Chapter 42-17.1, Environmental Management, and chapter and sections 2-10-8 in accordance with 42-35, Administrative Procedures Act, of the Rhode Island General Laws of 1956, as amended.

## **RULE 3. ADMINISTRATIVE FINDINGS**

Although more than half of Rhode Island is forested, there is intense development pressure on the remaining forestland. Proper management of forest resources requires that all reasonable alternative management strategies be considered and evaluated. The small size of most parcels of forestland and the long wait between harvests make traditional forest management opportunities unattractive to many landowners. Forest landowners could fill the niche markets for alternative forest products, such as edible and medicinal plants, decorative products, and recreational use, which are largely ignored by traditional retailers. The revenue generated may help prevent the fragmentation of forestland by providing a way to pay property expenses, and lead to small businesses that are consistent with the lifestyle of rural communities.

This industry has great potential in Rhode Island since the high population density provides markets close at hand. The Department, in cooperation with the Rhode Island Rural Lands Coalition has already been active promoting this concept. Participants at workshops and a focus group cited lack of start-up capital and lack of information about production costs and yields were the major limiting factors preventing startup of alternative forest business enterprises.

These grants are aimed at assisting landowners in overcoming financial barriers to start-up alternative forest based businesses. This builds on the success of a previous grant from USDA Forest Service, Rural Development through Forestry Program that developed publications, established a web site, and conducted demonstration workshops on alternative forest uses.

## **RULE 4. APPLICABILITY**

The terms and provisions of these guidelines shall be liberally construed to permit the Department to effectuate the purposes of state law, goals, and policies.

## **RULE 5. DEFINITIONS**

For the purposes of this guidance document, except as provided below, the following terms shall have the following meanings:

- (A) “**Actively Managed**” means forestland managed in accordance with the provisions of a written forest stewardship plan for the enhancement of forest resources.
- (B) “**Advisory Committee**” means the committee established per Section 6 of these guidelines.
- (C) “**Allowable Cost**” means expenses directly related to the project that are deemed reimbursable by the Advisory Committee.
- (D) “**Alternative Forest Use**” means a forest based business whose product is non-timber and may include medicinal and edible plants, floral greenery, specialty wood products and/or fee-based recreation.
- (E) “**Challenge Grant**” means funds given to landowner to initiate alternative forest based business’s with no repayment due provided the project is completed in accordance with the conditions of Section 8 of these guidelines.
- (F) “**Director**” means the Director of the Rhode Island Department of Environmental Management or his/her authorized designee.
- (G) “**Department**” shall mean the Rhode Island Department of Environmental Management.
- (H) “**Edible Plants**” means plants propagated and grown under a forest canopy with one or more parts that can be used for human consumption.
- (I) “**Eligible Landowners**” means private individuals, recognized Native American tribes, non-government groups or association.
- (J) “**Fee based recreation**” means leases for hunting and fishing or user fees for other outdoor recreational activities.
- (K) “**Floral greens,**” means native plant products, such as evergreen boughs or cuttings, used for decorative applications.
- (L) “**Forestland**” means any tract or contiguous tracts of land, five (5) acres or more bearing a dense growth of trees, young regenerating forest, and having either the quality of self-perpetuation, or being dependent upon its development by the planting and replanting.

- (M) “**Grantee**” means an eligible landowner who has applied, and received approval, to receive a grant.
- (N) “**Landowner**” means the person recorded as the owner on the deed of a parcel of forestland.
- (O) “**Match**” means the landowner’s contribution to the project. Grants pay up to 50 percent of the cost of initiating an alternative forest based business; the landowner must provide the rest. Costs used to satisfy grantees match requirements may be financed from any non-federal source, including cash or in-kind contributions.
- (P) “**Medicinal Plants**” means plants propagated and grown under a forest canopy, which have medicinal use for humans.
- (Q) “**Person**” means any individual, firm, corporation, co-operative, partnership or other form of organization.
- (R) “**Project Plan**” means the written document that details the methods and materials used to produce alternative forest products.
- (S) “**Reimburse**” means to compensate landowners’ part of the cost (50%) for approved practices related to establishing alternative forest based businesses. Costs eligible for reimbursement must meet requirements established by the Committee for eligibility and documentation.
- (T) “**Reporting Form**” means a report of the applicants’ investment in time and materials, as well as the growth and yield information of the crop produced using grant funds.
- (U) “**Specialty Wood Products**” means wooden items from trees, or parts of trees, that are not normally harvested in commercial forestry operations but can be turned into valuable products by skilled artisans.

## **RULE 6. ADVISORY COMMITTEE**

### **6.1 Committee Established**

The Director shall appoint a committee to advise and assist the Department in matters relating to alternative forest use challenge grant distribution. The Alternative Forest Use Advisory Committee shall have no fewer than 5 and no more than 10 members selected to represent the Department as well as providing balanced representation of the interests of forest landowners and others concerned with the sustainable management of Rhode Island's forests.

### **6.3 Decisions**

The votes of a majority of a quorum are required for any action or recommendation.

The Chairman shall advise the Director of all decisions and recommendations of the Alternative Forest Use Advisory Committee.

## **RULE 7. MEETINGS**

### **7.1 Open Meetings.**

All Committee meetings shall be consistent with the Open Meetings Law (Chapter 42-46 of the General Laws) and the Access to Public Records Act (Chapter 38-2 of the General Laws).

## **RULE 8. ELIGIBILITY**

### **8.1 Eligible landowners**

Forest landowners eligible for grant funding through this program include private individuals, recognized Native American tribes, non-government groups or associations with five or more acres of forestland.

### **8.2 Eligible Projects**

Eligible project categories as established by the Committee include edible and medicinal products, floral greenery, specialty wood products, and forest based recreation. Funding priority will be given to projects that, in the opinion of the Committee, are the most likely to succeed and become viable forest based businesses based on the information provided in the grant application.

### **8.3 Eligible Project costs**

The grants must be used to offset expenses related to the startup of alternative forest based businesses. This includes up to 50 percent of the cost of supplies and materials directly related to startup. Items not eligible for reimbursement include: land purchase, leasing, property taxes, or other costs for the use of land, engineering charges, permit fees, consultant fees, equipment purchase or other capital costs.

The grant award shall not exceed 50 percent of eligible costs as determined by the Committee. Grants will range from \$500.00 to \$1,000.00 each, but may be larger for appropriate and/or worthy projects as determined by the Committee.

Only costs outlined in the project plan, and approved by the Committee, are eligible for reimbursement. No costs incurred prior to notification of grant award will be eligible for reimbursement. Tax reporting is the responsibility of grantee.

## **RULE 9. APPLICATION PROCEDURE**

### **9.1 Application Forms**

Application Forms shall be available to all eligible to participate on the Department of Environmental Management web site ([www.state.ri.us/dem/programs/bpoladm/stratpp/forprod/forstprd.htm](http://www.state.ri.us/dem/programs/bpoladm/stratpp/forprod/forstprd.htm)) or by calling 222-3434.

### **9.2 Filing of Application**

Applications shall be filed with the Department as indicated in the filing form instructions.

The application package shall contain:

- Grant application with Project Plan attached.
- A Locus Map of the property.

### **9.3 Application submission**

Grant applications must be submitted by the due date determined by the Committee.

Reimbursement requests and a project reporting form must be submitted within twelve (12) months of issuance of an approval letter.

### **9.4 Application Review**

The Committee shall review the applications and disqualify those that fail to meet the minimum eligibility requirements or are incomplete. The applications shall be ranked by the Committee in accordance with the criteria established by the Committee (10.2) and funding awarded to the highest scoring applicants.

In the event there are insufficient funds, the Committee has the option of awarding partial grants to qualified applicants.

## **RULE 10. EVALUATION AND AWARD**

### 10.1 Evaluation

The Committee shall review the applications received and rank eligible applications for consistency with the Alternative Forest Use Grant Guidelines. Grants funds will be allocated to those projects that best meet Committee objectives and demonstrate likelihood for success based on information provided in the application.

### 10.2 Ranking Criteria

Proposals are ranked according to criteria using the form in the Appendix.

Projects eligible for challenge grant funding must meet minimum eligibility requirements established by the Committee including:

- Private individuals, non-government group or association must own the land.
- Minimum ownership of five (5) acres of forestland.

The project must also address categories established by the Committee, which are described in detail in the Alternative Forest Use Brochures created by the Rural Lands Coalition. These categories include:

- Medicinal forest products
- Edible forest products
- Floral greens
- Specialty wood products
- Fee based recreation

### 10.3 Awards

Once the sub-Committee has reviewed and evaluated all applications, it shall determine which will receive grant recommendations. The Committee shall consider proposed projects that score highest according to criteria established by the Committee using the Evaluation Form in the Appendix. After completion of all ranking activities, the Committee will approve grant awards and provide the Director with a list of recommendations for grant awards.

The Director shall review the Committees recommendations and notify the successful applicants. The final decision for awarding a grant rests with the Director.

The total amount of the grant awards may not exceed the amount of funds available.

## **RULE 11. ADMINISTRATION OF FUNDS**

- 11.1 In order to receive reimbursement, the landowner must submit receipts for expenses incurred as a result of the project, as well as an accounting of labor or other expenses used as match on the Reporting Form. The reporting form must include an itemized accounting of:

- Dates and hours of work performed
- Cost per hour for labor (not to exceed \$10.00 per hour)
- Type of equipment used
- Charge for equipment
- Type and cost of materials used

11.2 Failure to complete the project and file for reimbursement within twelve (12) months of issuance of an approval letter shall be considered a waiver of the right to compensation for eligible expenses.

Expenses shall be considered ineligible for reimbursement if:

- The procedures and schedule outlined in the Project Plan are not followed.
- Other use is made of the subject property inconsistent with its management as forestland.
- A project Reporting Form is not completed.

11.3 Reporting for tax purposes is the responsibility of the grantee.

## **RULE 12. SEVERABILITY**

If any provision of these Rules and Regulations, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules and Regulations shall not be affected thereby.

## **RULE 13. EFFECTIVE DATE**

The foregoing “Rules and Regulations For Alternative Forest Use Challenge Grants,” after due notice, are hereby adopted and filed with the Secretary of State this \_\_\_\_\_ day of October 2003, to become effective twenty (20) days thereafter, in accordance with the provisions of chapter 42-35 of the General Laws of Rhode Island, 1956, as amended.

---

Jan Reitsma, Director  
Department of Environmental Management

Notice Given on: August 8, 2003

Public Hearing held: Not requested

Filing Date:

Effective Date:



