



# WISCONSIN COUNCIL ON FORESTRY

Scott Walker, Governor

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April 22, 2015

**Henry Schienebeck**  
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Butternut

**Jane Severt**  
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**R. Bruce Allison**  
Verona

**Troy Brown**  
Antigo

**Matt Dallman**  
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**Paul DeLong**  
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**Tom Hittle**  
Tomahawk

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**James Kerkman**  
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**Rep. Jeffrey Mursau**  
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**Kimberly Quast**  
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**Paul Strong**  
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**Sen. Tom Tiffany**  
Madison

**Virgil Waugh**  
Milton

**Richard Wedepohl**  
Madison

Honorable Senator Roberta Darling  
Honorable Representative John Nygren  
Wisconsin Joint Committee on Finance members

Dear Co-Chairs Roberta Darling, John Nygren and Committee Members,

As you review and discuss the Governor's 2015-2017 budget, the Wisconsin Council on Forestry feels compelled to provide perspectives on a variety of proposals that impact forestry in the state.

Appointed by the Governor, the Wisconsin Council on Forestry (Council) is a diverse group of leaders in the forestry community who direct Wisconsin's efforts to achieve sustainable forestry. The Council was created by State Statute 26.02 in July 2002 to advise the governor, legislature, Department of Natural Resources, Department of Commerce, and other state agencies on a host of forestry issues in the state.

The attached memos contain information from Council discussions on the following budget proposals:

- 1) Managed Forest Law timber cutting notices
- 2) Stewardship land acquisition
- 3) Urban forestry grant program
- 4) Environmental education grants.

The last memo is a new request:

- 5) The Council seeks funding to pursue work on identified priority issues and development and implementation of a dispute resolution process.

The Council hopes these memos help advise you as you review and discuss the budget. If we can be of any further assistance on these matters please do not hesitate to contact us.

Respectfully,

Henry Schienebeck, Chair  
Wisconsin Council on Forestry

Cc: Joe Malkasian, Committee Clerk, Wisconsin Joint Committee on Finance  
Representative Robin Vos, Assembly Speaker  
Representative Jim Steineke, Assembly Majority Leader  
Representative Peter Barca, Assembly Minority Leader  
Senator Scott Fitzgerald, Senate Majority Leader

Senator Mary Lazich, Senate President  
Senator Jennifer Shilling, Senate Minority Leader  
Representative Jeff Mursau, Chair, Assembly Committee on Environment  
and Forestry  
Representative Cory Mason, Ranking Member, Assembly Committee on  
Environment and Forestry  
Representative Alvin Ott, Chair, Assembly Committee on Natural  
Resources and Sporting Heritage  
Representative Nick Milroy, Ranking Member, Assembly Committee on  
Natural Resources and Sporting Heritage  
Senator Robert Wirch, Ranking Member, Senate Committee on Mining,  
Forestry and Sporting Heritage

**April 22, 2015**

**TO:** Honorable Senator Roberta Darling, Honorable Representative John Nygren, and Wisconsin Joint Committee on Finance members

**FROM:** Wisconsin's Council on Forestry

**REGARDING:** Approval of cutting notices on MFL properties

As you prepare to act on Governor Walker's 2015-2017 budget, the Wisconsin Council on Forestry (Council) feels obligated to provide information for your consideration as you evaluate proposed changes found in §2527 of 2015 AB21; elimination of the requirement for Wisconsin Department of Natural Resource (DNR) to approve cutting notices prepared and submitted by cooperating foresters working on Managed Forest Law (MFL) properties (see §77.80 to §77.91 WI State Statutes)

The Council could not come to consensus on this issue. However, we are providing the following information to help you better understand the proposed legislative change.

With the exception of large landowners operating under a DNR-approved management commitment, all timber harvests on MFL properties are conducted under a forest management plan created by a certified plan writer (CPW) and approved by DNR. At such time when a forest management activity is mandated all landowners must file a cutting notice with DNR before commencing a timber harvest. Under current law DNR reviews the cutting notice and may either approve or disapprove the notice. Typically, in the event of disapproval recommendations for necessary changes to gain approval are made.

Rational for the proposed change

Over time, due to MFL program changes, several foresters of various classifications (industry, non-cooperating, cooperating, etc.) have indicated the DNR cutting notice for tax law properties has become more like a permitting process than a notice. The current cutting notice is perceived as inefficient, lengthy, and cumbersome requiring in some cases an unjustifiable amount of time and expense for landowners and foresters without a perceived increased benefit.

Landowner liability

Under Wisconsin's MFL, landowners are liable for management activities on their property. As a result, some Council members are concerned proposed changes to the cutting notice could affect landowners' liability and they view the cutting notice as an opportunity for the DNR to provide concurrence that harvesting complies with the landowner's management plan. If it does not, under the law the landowner is liable. Landowners want to be protected from being required to take corrective actions or being involuntary withdrawn should the cooperating forester approved cutting notice be determined by DNR to violate the MFL agreement. Conversely, others have the opinion that landowner liability promotes quality professionals in forestry and logging.

Assurance of management

Some Council members view the current process as a way to ensure forest management continues to meet MFL criteria. The cutting notice is recognized as an opportunity for DNR to review an established timber harvest before it is cut, if they so choose. While under both current and proposed law DNR can enter the property to examine timber harvests, some Council members feel the current cutting notice procedure adds another level of certainty.

MFL efficiencies work

DNR is seeking ways to make administration of the MFL program more efficient and is currently working on revisions to the program.

Natural Heritage Inventory (NHI) review

The budget proposes that cooperating foresters be allowed to conduct NHI reviews for timber sales. At this time, cooperating foresters are able to access the NHI data through the DNR forester; however, they are required to pay fees to become certified and receive direct access to the data. The Council supports the provision for cooperating foresters to conduct NHI reviews and also supports providing funding to cover the costs to the cooperating foresters to obtain the training and access to the data.

Thank you for allowing Wisconsin's Council on Forestry to provide this information for your consideration as you fulfill your important duties. If we can be of further assistance or provide additional information please do not hesitate to contact us.

\*Please note that due to the nature of their positions, Representative Jeffrey Mursau, Senator Tom Tiffany and State Forester Paul DeLong respectfully withdraw their names as signatories of this letter.

**April 22, 2015**

**TO:** Honorable Senator Roberta Darling, Honorable Representative John Nygren, and Wisconsin Joint Committee on Finance members

**FROM:** Wisconsin's Council on Forestry

**REGARDING:** Support for Wisconsin's Knowles-Nelson Stewardship Program

As you prepare to review and vote on the 2015-2017 State budget, Wisconsin's Council on Forestry (Council) would like to express our support for the Knowles-Nelson Stewardship Program. Specifically, we view the Stewardship funding for working forest easements, county forest land acquisitions, and state forest inholding purchases as critical to retaining forests and the forest products industry of Wisconsin. We recognize that the Stewardship program is a substantial yet important investment; the state's Forestry Account pays \$13.5 million in debt service on the Stewardship program every year.

The Stewardship Program has been a very effective tool to minimize forest fragmentation and keep our forestlands in timber production and available to the public for outdoor recreational activities.

Historically, Wisconsin's large private timberlands were owned by traditional forest industries. These lands that were once held by paper companies and sawmills, are now increasingly owned by Timberland Investment Management Organizations (TIMOs) and Real Estate Investment Trusts (REITs). These types of timberland owners and managers often include real estate land sales to supplement revenue from harvesting timber as part of their asset management strategy, resulting in the fragmentation of these working lands.

In Wisconsin, forest investor groups now hold 756,626 acres in Wisconsin's Forest Tax Law programs, down from 1.1 million acres in 1999. While some of this land may have stayed in the Managed Forest Law as small landowner accounts, we know that some has been lost to non-forest uses, resulting in less timber production, access and wildlife habitat. Our timber industry is faced with competition on a regional, national and global scale and must be able to secure reasonably priced fiber from reliable markets. These large, private working forests play a key role in providing this wood fiber.

How big is Wisconsin's forest industry?

- \* Wisconsin leads the nation in value of shipments in forest products – more than \$22 billion per year, employing more than 59,500 people.
- \* Wisconsin is the #1 paper producer in the nation and has been for more than 60 years.
- \* Every job in forestry supports 3.8 additional jobs in the state.
- \* There are 1,292 primary and secondary forest product companies in Wisconsin.
- \* The pulp and paper sector is the largest employer with 30,656 jobs followed by sawmills and other wood products with 24,699 jobs. These businesses generate \$156.4 million in direct taxes.

To date the Stewardship Fund, in partnership with the Federal Forest Legacy program, has ensured that 241,593 acres of private, productive forest land will be available for future timber production, public access and wildlife habitat, by attaining access, subdivision and sustainable forestry rights through working forest easements. Additionally, beginning in FY11 a portion of Stewardship funding has been utilized by County Forests which have added more than 16,000 acres to their land management programs. Management of this

additional County Forest acreage provides public recreational opportunities and locally retained income from forest management activities.

The Council believes there needs to be strong oversight of the Stewardship program and supports practices that the county, state and partners have implemented such as collaborative ranking of acquisition purchases. To ensure funds are being used on the best projects, diverse partners come together to prioritize stewardship projects.

The Council would like to see an exploration of alternative funding mechanisms for the Stewardship Program. We would like to participate in discussing new options and alternatives.

The Council respectfully encourages you to support Wisconsin's working forests and the vital role the bipartisan Stewardship Program plays in providing working forest conservation easements, local cost share land acquisitions, and state forest inholding purchases as a tool to keep these forests intact, accessible, and productive.

\*Please note that due to the nature of their positions, Representative Mursau, Senator Tiffany and State Forester Paul DeLong respectfully withdraw their names as signatories of this letter. In addition, Kim Quast abstains from signing this letter.

**April 22, 2015**

**TO:** Honorable Senator Roberta Darling and Honorable Representative John Nygren, Co-Chairs Wisconsin Joint Committee on Finance  
**FROM:** Wisconsin's Council on Forestry  
**REGARDING:** Wisconsin's Urban Forestry Grant Program

As you prepare to review and vote on the 2015-2017 State Budget, Wisconsin's Council on Forestry would like to state its agreement with the Wisconsin Urban Forestry Council and the Wisconsin Arborist Association (see attached letters) in opposing the proposed amendment to the Urban Forestry Grant Program, section 972.23.097(1g).

The proposed change would diminish the historical use and intent of the grant program as a proven catalyst for professional urban forestry management in Wisconsin. The Council respectfully requests the legislature consider elimination of any amendment to this statute in the 2015-17 Wisconsin biennial budget.

\*Please note that due to the nature of their positions, Representative Jeff Mursau, Senator Tom Tiffany and State Forester Paul DeLong respectfully withdraw their names as signatories of this letter.

**April 22, 2015**

**TO:** Honorable Senator Roberta Darling, Honorable Representative John Nygren and Wisconsin Joint Committee on Finance members

**FROM:** Wisconsin's Council on Forestry

**REGARDING:** Wisconsin Environmental Education Board (WEEB) and associated grants

The Wisconsin Council on Forestry (Council) would like to express support for forestry education in Wisconsin. The proposed FY 2015-2017 state budget calls for eliminating Wisconsin Environmental Education Board (WEEB) and funding for school forest and forestry education grants. We feel this proposal will have long term negative effects on forestry in Wisconsin.

The Council believes sound forest management is key to maintaining Wisconsin's healthy forests and a strong forest products industry. By educating youth and all citizens of Wisconsin about sustainable forestry, we create improved understanding of the important societal benefits realized through proper forest management activities. WEEB and associated grants are one of the main tools available to share the sustainable forestry message.

From 1998 to 2013, 609 proposals were submitted for WEEB school forest and forestry education grants totaling \$8,373,656. Of these, 367 projects were funded totaling \$4,520,396. These funds were matched by grantees with a value of \$4,491,620 (nearly 1:1 match although only 25% match is required) and served 1,327,796 participants. If WEEB and the associated grants are eliminated, we believe it creates a major deficiency in the forestry education.

The Council also recognizes a strong connection between forestry education and a growing, healthy workforce. In December of 2013 the Governor's Economic Summit highlighted a need for workforce development in the forest products industry. WEEB and the associated grants fund projects and initiatives that help students learn about forestry and the skills needed to enter this workforce. Some example workforce development projects funded by WEEB include:

- "Jobs in the Forest"
- "Natural Resource Careers Workshop"
- "Forester Training in Northwest Wisconsin"
- "Farm and Field Youth Training Program in Sustainable Agriculture"

We respectfully encourage you to maintain funding for WEEB and associated school forest and forestry education grants.

\*Please note that due to the nature of their positions, Representative Jeffrey Mursau, Senator Tom Tiffany, State Forester Paul DeLong, and Professor Mark Rickenbach respectfully withdraw their names as signatories of this letter.



**April 22, 2015**

**TO:** Honorable Senator Roberta Darling, Honorable Representative John Nygren, and Wisconsin Joint Committee on Finance members

**FROM:** Wisconsin's Council on Forestry

**REGARDING:** Council on Forestry Operations

Wisconsin's Council on Forestry (Council) is limited in its ability to directly engage in addressing priority forestry issues. Rather, the Council relies heavily on DNR to staff initiatives, and voluntary contributions of Council members and interested parties.

The Council seeks to obtain some level of funding enabling us to pursue work on identified priority issues. Further, the Council recommends establishment of a dispute resolution process to efficiently resolve disagreements between DNR foresters and other resource professionals regarding forest management objectives.

The Council recommends an initial allocation of \$100,000 annually from the Forestry Account to fund basic Council operations and allow for implementation of a dispute resolution process, described below.

#### Proposed Dispute Resolution Process

The Council proposes the development of a dispute resolution process for use when disagreements relating to a DNR administered program cannot be readily resolved between any of these sectors: DNR foresters, private sector foresters (cooperators and others), landowners and loggers.

The Council on Forestry would have oversight of the dispute resolution process (process). The Council would issue a contract for an entity to administer the process. The Council would need a funding allocation (outlined above) to accomplish this work, both for the contractor and for expenses associated with the disputes themselves. The Council would also be responsible for annually reviewing the work of the contracted administrator of the process. The Council would rebid the contract on a periodic basis.

The contractor, in coordination with the Council, will develop operating policies and procedures for appointments to a dispute resolution committee. It is the Council's intention to develop a program that will resolve any dispute in 30 days or less

\*Please note that due to the nature of their positions, Representative Mursau, Senator Tiffany and State Forester Paul DeLong respectfully withdraw their names as signatories of this letter.