

May 16, 2018

Decision Memorandum on Approach to Use of Good Neighbor Authority Program Income

After discussions over the last six months, and in particular on Thursday, May 3, 2018 at the annual Good Neighbor Authority agreement meeting, the CNNF and WDNR have decided to take the following approach for the use of Program Income (those revenues from timber sold by the State under the agreement and not needed to compensate the State's costs for their work on preparation, award, sale, administration and agreed upon reforestation work). We anticipate the first revenues available, roughly \$500,000, to apply to a variety of projects in late 2018.

It is important that we develop an approach for the use of program income which, like the increased timber sale levels achieved through the GNA agreement, supports further accomplishments towards the goals and objectives of the Chequamegon-Nicolet National Forest Land and Resource Management Plan (aka Forest Plan). Additionally, the approach should assist with addressing contemporary natural resources issues through projects which can be delivered efficiently to make the best use of the revenues. We want to focus projects on high-priority work on the CNNF based on the Forest Plan goals and objectives and whenever possible to leverage those funds with the interests and capacities of existing and perhaps new partners to the WDNR and CNNF. While this approach is occurring in the first year of program income use, we will also begin building a longer-term strategy on how future projects are developed and selected.

In the first year of planning and implementing Program Income projects under our GNA agreement, we will focus on a limited number identified by the CNNF and agreed upon by the WDNR. The outcome of these first projects will allow both parties to accomplish high priority work, while at the same time provide an opportunity to learn how a variety of projects can be accomplished most efficiently and effectively going forward. We anticipate the first projects will consume up to \$500,000 of program income and be identified by the end of May 2018. Future program income depends on the timber sale revenue generated from the GNA timber sales and costs to implement those sales, but we anticipate the capacity to fund projects every year under the cooperative agreement. The first Supplemental Project Agreement (SPA) has a ten-year lifespan and we are in the beginning of year four. The next agreement will likely begin development next year.

The CNNF will soon be issuing a Monitoring and Evaluation report which will identify progress toward Forest Plan goals and objectives since the Plan was put in place in 2004. Internal discussions by the CNNF, as well as discussions with key stakeholders, will be occurring throughout the next year. This will help inform the WDNR and CNNF on how to best use program income and continue to support the success of sustainable forest management on the CNNF moving forward.

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