



## Legislative Fiscal Bureau

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September 9, 2025

TO: Representative Jeffrey Mursau  
Room 113 West, State Capitol

FROM: Jonathan Sandoval, Fiscal Analyst

SUBJECT: Forestry Account Condition Statement under 2025 Wisconsin Act 15

At your request, this memorandum describes the forestry account of the segregated (SEG) conservation fund. The condition of the forestry account through June 30, 2025, will be finalized in the coming weeks as the Department of Natural Resources (DNR) conducts year-end accounting and reconciliations. Using information currently available, the Attachment shows that the account had a preliminary available balance of \$153.6 million on July 1, 2025. The account is estimated to have an available balance of \$216.7 million on July 1, 2027, under 2025 Wisconsin Act 15.

Article VIII, Section 10, of the Wisconsin Constitution allows the state to appropriate moneys for the purpose of acquiring, preserving and developing the forests of the state through a tax on property not to exceed 0.2 mill (20¢ per \$1,000 of property value). 2017 Wisconsin Act 59 reduced the tax from 0.1697 mill (16.97¢ per \$1,000 of property value) to 0. 2017 Act 59 instead created a sum-sufficient GPR transfer to the forestry account to replace the revenue from the tax. This transfer is equal to 16.97¢ per \$1,000 of the assessed property value in the state, meaning the forestry account is to receive an identical amount from the GPR transfer as it would from the mill tax. In 2024-25, \$153,973,900 was transferred to the conservation fund, approximately 81% of all revenues to the forestry account. In 2025-26, the transfer will be \$166,784,200.

Other sources of revenue to the forestry account include: (a) revenues from the sale of timber on state forest lands; (b) revenues from the sale of stock from the state's tree nurseries; (c) camping and entrance fees at state forests; (d) severance and withdrawal payments from timber harvests on cooperatively managed county forests; (e) withdrawal payments from privately owned land enrolled in the forest crop law (FCL) and managed forest law (MFL) programs; and (f) a portion of the revenue from the sale of the conservation patron licenses, to reflect the fact that license holders are granted admission to state forests at no additional charge as part of the license.

In the 2025-27 biennium, forestry account revenues will fund approximately 580 full-time equivalent staff positions to support a variety of activities. This includes approximately 564 DNR

positions and the following programs: (a) the operations of 15 state forests; (b) tree nursery operations; (c) prevention, detection, and suppression of forest fires; (d) forest health and productivity, including administration of the MFL program and assistance to county forest administrators; (e) grants, loans, and payments to certain towns and private forest owners; (f) repayment of a portion of stewardship program debt; and (g) a portion of DNR administrative costs. In addition, the forestry account supports approximately 16 positions and certain costs of various other state agencies, including forest pest control by the Department of Agriculture, Trade and Consumer Protection and land management operations of the Kickapoo Reserve Management Board, the Board of Commissioners of Public Lands, and the Lower Wisconsin State Riverway Board.

Since 1997-98, the forestry account has been used to pay a portion of debt service associated with the Warren Knowles-Gaylord Nelson Stewardship program. This debt service has been budgeted at \$13.5 million annually since 2011-12. Additionally, 2021 Wisconsin Act 58, the 2021-23 biennial budget act, appropriated \$8 million from the forestry account for stewardship program land acquisition, including \$3 million for grants to counties to acquire forestland and \$5 million for DNR land acquisitions. The stewardship program is set to expire after 2025-26 without further legislative action. DNR would be unable to expend the \$8 million forestry SEG budgeted for county forest grants and DNR land acquisitions, but the budgeted amounts would remain in statute beyond 2025-26.

As shown in the Attachment, preliminary expenditures from the forestry account totaled \$134.1 million in 2024-25, and preliminary revenues totaled \$189.0 million. In recent fiscal years, revenues have regularly been greater than the authorized expenditures for the forestry account. Under 2025 Act 15, revenues are estimated to be greater than budgeted expenditures for both 2025-26 and 2026-27, including transfers and various one-time expenditures. As discussed above, the forestry account has accumulated significant available balances. The trend of increasing available balances is expected to continue in the 2025-27 biennium under the current law mill tax transfer rate.

2025 Act 15 provided \$15,000,000 as one-time transfers each year from the forestry account to the fish and wildlife account. The transfers are intended to stabilize the fish and wildlife account balance through the 2025-27 biennium. In addition, 2025 Act 15 also created an annual appropriation to provide financial assistance for a dam on the Wisconsin River in the Village of Rothschild, operated by Domtar, and provided \$42,000,000 forestry SEG in the Joint Finance Committee's program supplements for these purposes. DNR is required to request that the Committee approve the release of the funds for the dam through the process under s. 13.10 of the statutes. Further, 2025 Act 15 also included additional forestry SEG funding for: (a) certain forestry grants; (b) fire suppression services; (c) the state parks system; (d) hazardous tree removal; and (e) a forestry industrywide strategic plan.

Some appropriations are common to more than one account within the conservation fund. The amounts paid by each account to fund these appropriation's expenditures are intended to reflect the estimated share that each account's programs contribute to the overall expenditure. DNR annually adjusts the percentage that each account contributes to each of these appropriations based on a variety of factors. These factors include: (a) land acreage from each account supported by the appropriation;

(b) the full-time equivalent work effort performed in support of each account; and (c) revenues or transactions generated by each account. Split-funded appropriations include: (a) internal services; (b) external services; (c) division management, including enforcement and land program management; (d) facilities and lands operations; (e) endangered resources operations; (f) administrative facility repair and debt service; (g) aids in lieu of taxes; (h) rent and property maintenance; (i) taxes and assessments; (j) education and safety; and (k) handling fees. 2025 Act 15 provisions for eGrants system licensing and support and geographic information systems licenses are examples of split-funded provisions that will in part be funded from the forestry account. (See the Legislative Fiscal Bureau document entitled, "Summary of Provisions -- 2025 Wisconsin Act 15" for additional information on these provisions.)

I hope that this information is helpful. Please contact me if you have questions.

JS/ml  
Attachment

# ATTACHMENT

## Forestry Account Condition 2023-24 through 2026-27

	2023-24 <u>Actual</u>	2024-25 <u>Preliminary</u>	2024-25 <u>Staff</u>	2025-26 <u>Budgeted</u>	2026-27 <u>Budgeted</u>	2026-27 <u>Staff</u>
Opening Balance	\$117,290,900	\$132,060,100		\$186,960,700	\$193,224,400	
<b>Revenues</b>						
Mill Tax Transfer	\$142,998,300	\$153,988,300		\$166,784,200	\$173,104,200	
Timber Sales	10,999,900	11,679,900		11,472,300	11,833,900	
Campsite Fees	4,032,100	4,993,100		5,012,700	5,461,600	
Admission Stickers	4,925,300	3,863,100		4,632,100	4,667,000	
Other Revenues	<u>9,710,300</u>	<u>14,505,100</u>		<u>14,449,600</u>	<u>14,476,900</u>	
Total Revenues	\$172,665,900	\$189,029,500		\$202,350,900	\$209,543,600	
Available Balance	\$289,956,800	\$321,089,600		\$389,311,600	\$402,768,000	
<b>Expenditures</b>						
State Forestry Operations	\$58,375,500	\$57,903,600	408.08	\$61,538,600	\$61,481,200	407.08
Southern Forest Operations	5,867,800	6,256,500	35.45	6,748,800	6,601,200	35.45
Stewardship Program	21,500,000	21,500,000		21,500,000	21,500,000	
County Forest and Forest Tax Law	5,642,300	6,416,000		7,699,500	7,699,500	
Forestry Grants	1,771,600	2,201,100		2,582,800	2,582,800	
2023 Act 19 One-Time Transfer to the Fish and Wildlife Account	25,000,000					
2025 Act 15 One-Time Transfer to the Fish and Wildlife Account				15,000,000	15,000,000	
Village of Rothschild Dam Project <sup>1</sup>				42,000,000		
Other Expenditures	<u>6,436,800</u>	<u>6,763,000</u>		<u>3,976,600</u>	<u>2,476,600</u>	
Subtotal	\$124,594,000	\$101,040,200	443.53	\$161,046,300	\$117,341,300	442.53
<b>Split-Funded Appropriations</b>						
Internal Services	\$7,482,600	\$7,484,400	45.10	\$8,045,600	\$8,154,800	45.10
External Services	2,018,400	1,663,900	12.33	1,726,600	1,719,700	12.33
Land Program Management	134,200	138,500	0.54	90,100	90,100	0.54
Law Enforcement	1,803,000	1,808,500	10.72	1,944,000	1,947,100	10.72
Facilities, Lands, and Property Management	5,961,400	5,835,900	47.77	6,481,800	6,482,700	47.77
Natural Heritage Conservation	691,700	737,700	5.26	745,500	745,500	5.26
Administrative Facility Repair and Debt Service	809,300	802,000		3,097,900	3,326,600	
Aids in Lieu of Taxes	6,420,700	6,555,200		6,881,900	6,881,900	
Resource Acquisition and Development	2,614,300	2,713,300		582,700	582,700	
Rent and Property Maintenance	1,558,100	1,668,600		1,423,900	1,430,100	
Taxes and Assessments	10,900	1,100		3,300	3,300	
Reservation Fees	<u>664,400</u>	<u>671,900</u>		<u>291,200</u>	<u>291,200</u>	
Subtotal	\$30,169,000	\$30,081,000	121.72	\$31,314,500	\$31,655,700	121.72
<b>Other Agency Appropriations</b>						
Subtotal	\$3,133,700	\$3,007,700	15.92	\$3,726,400	\$3,726,700	15.88
Total Expenditures	\$157,896,700	\$134,128,900	581.17	\$196,087,200	\$152,723,700	580.13
Closing Cash Balance	\$132,060,100	\$186,960,700		\$193,224,400	\$250,044,300	
Encumbrances and Continuing Balances	\$33,310,900	\$33,310,900		\$33,310,900	\$33,310,900	
Available Balance	\$98,749,200	\$153,649,800		\$159,913,500	\$216,733,400	

<sup>1</sup> Subject to the approval of the Joint Finance Committee through the process under s. 13.10 of the statutes.