



WISCONSIN COUNCIL ON FORESTRY

Tony Evers, Governor

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November 18, 2020

The Honorable Tony Evers
Governor of Wisconsin
PO Box 7863
Madison, WI 53707

RE: Forestry in Wisconsin's 2021-2023 State Budget

Governor Evers,

On behalf of the Wisconsin Council on Forestry we would like to thank you for your administration's efforts to protect and maintain our forests and the many environmental, social, and economic benefits they provide for Wisconsin citizens.

We are writing today to emphasize the critical importance of state funding for Wisconsin's forestry programs in maintaining healthy, productive forests and all the benefits they provide. Forests in Wisconsin are one of our most powerful economic drivers and one of our best environmental assets. You have appointed us to advise your office, the legislature, and state agencies on forestry issues.

As Governor, we are grateful that your administration is continuing a century-long, bi-partisan tradition of strong support for forest conservation. Wisconsin has earned a reputation as a national leader in sustainable forestry. As a result of long-term investments in critical functions such as fire control, reforestation, and forest product technical support and training, Wisconsin residents have enjoyed consistently high levels of productivity, environmental benefits, and economic output from our forests. We want to encourage your continued support for these important investments.

A few facts about Wisconsin forests:

- Forests currently cover **17 million acres** in Wisconsin, or 49% of our total land area.
- Additionally, **urban forests and greenspaces cover 554,868** acres in our cities.
- **70% (11.9 million acres)** of Wisconsin forests are owned by over **414,000 private landowners**.
- The balance of our forests is owned and managed by counties and local governments, the US Forest Service, corporations, the State of Wisconsin and Native American tribes.

- **The forest products industry in Wisconsin supports 63,000 family-supporting jobs and generates \$24.4 billion in value to the state's economy.** Without a healthy forest products industry creating the markets for raw forest materials, our ability to sustainably manage forests will be challenged if not impossible.
- Forest businesses generate \$1.1 billion in state and local taxes and \$2.0 billion in federal tax
- Forests in Wisconsin are highly productive and stable carbon sink that store more than 1.5 billion tons of carbon dioxide and whose **annual growth offsets as much as 15% of our total annual greenhouse gas emissions.**
- Forests provide incalculable benefits for clean water, clean air, and wildlife habitat.
- Forest-related recreational activities are a large component of the **\$13 Billion in tourism and visitor spending** in Wisconsin estimated for 2018.
- Forests and the wildlife habitat and freshwater they support contribute to an **\$18 billion outdoor recreation industry** in Wisconsin.

Despite our many strengths, Wisconsin's forests face **urgent new challenges** that threaten jobs as well as the health and productivity one of our greatest natural assets. The effects of a changing climate are altering how our forests grow and develop and are forcing disruptions in how we manage forests. A globally changing economy and the Coronavirus pandemic are also creating urgent challenges to the economic viability of our forestry sector.

- Prices for hardwood sawtimber, one of our staple forest products, have been depressed since the downturn of 2008. Weak markets limit the return on investment for forest and mill owners alike.
- The prices and demand within our hardwood and softwood pulp sectors have been increasingly unstable in recent years due to shifting global demands, forcing more risk and uncertainty down to loggers and forest owners.
- The recent closure of the Verso paper mills in Wisconsin Rapids and Duluth eliminated what had been a large and stable outlet for hardwood pulp for over a century. In addition to the direct loss of over 900 jobs, this is creating severe impacts to the hundreds of loggers and truckers, local and county budgets with the loss of timber revenue and thousands of family forest owners all around Wisconsin who now lack markets for their wood. The Verso mill closure is already costing jobs and disrupting economic activity in the State.

The funding for forestry programs in the Wisconsin State Budget are investments that support stable and productive forests in both rural areas and in our cities. We recognize the difficult fiscal challenges that we will all face in the next biennium. We urge you to maintain the essential investments in forestry programs that will help us address these threats, and which directly and indirectly benefit every Wisconsin resident and visitor

The current GPR allocation to the Forestry Account within the Conservation Fund supports public safety and forestry-related programs including the **following critical functions.**

- Grants and Aids to local units of governments
- Forest management activities on public lands
- Wildland fire control operations and support for rural fire departments
- Supporting family forest owners Managed Forest Law
- Forest nurseries, forest health and forest conservation activities
- Forest recreation, campgrounds, trails, and forest facilities
- Support for community tree programs
- Debt service for Knowles-Nelson Stewardship

Council on Forestry 2021 – 2023 Budget Recommendations

- Maintain the current law provision that directs “**an amount equal to 0.1697 mills for each dollar of the assessed valuation of the property in the state** to be transferred from the general fund to the conservation fund for the purpose of acquiring, preserving and developing the forests of the state and for other specified forestry purposes”. In 2017, legislators promised to maintain forestry funding from GPR when the budget committee voted to end the forestry mill tax.
- Maintain funding for Forestry Program appropriations at a minimum of current levels, including current year funding for the **critical forestry program functions** listed above.

In addition to maintaining the current levels of funding as described above, increase spending authority from the Forestry SEG account, for functions the council has identified below to further enhance the forest industry and sustainable forestry in Wisconsin, as follows:


- **Increase spending authority by \$500,000 to improve management of private forests through the Wisconsin Forest Landowner Grant Program (WFLGP)** to support reforestation, storm clean up, and other activities to improve forest health, sustainability and productivity. Reforestation is an important strategy to meet Wisconsin’s goals to address climate and forestry funding can help drive success in that effort.
- Create statutory authority to **provide \$400,000 to increase forest-based employment** for youth and adult workers in transition. A Wisconsin Conservation Corps – 2021, a restoration of the popular and successful 1980’s era program, could be funded in part from forestry fund allocations provided that significant portion of funds was directed to forest-related conservation activities such as reforestation, forest stream improvement, forest recreation, etc.
- **Create a \$250,000 forest-related economic development fund** ensuring that grants and loans for facility upgrades, new technologies, and mill diversification and conversion are made available to mill owners and other forestry related businesses.
- **Fund a part time limited-term employee within the Department of Forestry** (similar to the Urban Forestry Council Liaison). Position would facilitate implementation of Council on Forestry actions; promote and market council initiatives; coordinate and facilitate quarterly council meetings; support council recruitment, appointments, orientation and training.

The 18 members you have appointed to the Wisconsin Council on Forestry reflect a broad spectrum of sectors and interests throughout our state. We hope that in your budget deliberations you will consider carefully the important role forests play in contributing to the quality of life for Wisconsin residents, and a way of life for the over 60,000 full-time workers and their families who make their living from our forests.

We welcome the opportunity to follow up with you and your staff with regard to these recommendations and the important investments they represent. We appreciated the time you took to speak with the council this spring and we welcome you to attend a future meeting of Council.

With best regards,

Tom Hittle

A handwritten signature in cursive script that reads "Thomas J. Hittle".

Chair of the Wisconsin Council on Forestry

A handwritten signature in cursive script that reads "JE Hoppe".

James Hoppe

Council on Forestry, Sustainable Forestry Funding Committee Chair