

Council on Forestry Meeting
Cabela's Richfield
One Cabela Way, Richfield, Wisconsin
July 30, 2015

Council Members Present: Henry Schienebeck (Council Chair), Jane Severt (Council Vice-Chair), Paul DeLong, Rep. Jeff Mursau, Sen. Tom Tiffany, Matt Dallman, Tom Hittle, Richard Wedepohl, Jim Kerkman, Virgil Waugh, Troy Brown and Bruce Allison

Council Members Absent: Kim Quast, Paul Strong, Jim Hoppe, Mark Rickenbach

Guests Present: Terrisa Mulder (WDNR), Jessie Augustine (GLTPA), Don Peterson representing Kim Quast, Earl Gustafson representing Jim Hoppe, Rebecca Diebel (WDNR), Bob Peterson (DOMTAR), and Ryan Severson (WDNR)

Chair Schienebeck called the meeting to order at 9:10 am with introductions of Council members and guests present.

Meeting Minutes

Council Tour – July 29, 2015

On July 29, The Governor's Council on Forestry partnered with the Urban Forestry Council and toured Kettle Moraine Hardwoods, in Hartford, Wisconsin. While on site, the Councils were provided a tour of the urban hardwood log deck, sawmill facility, dry kiln, and urban wood products showroom. Following the Kettle Moraine Hardwoods tour, the group visited the University of Wisconsin-Milwaukee Children's Learning Center where they were able to view urban wood utilization within the Center and discuss the urban wood supply chain and AIA urban wood specifications. Finally, the group toured the Urban Wood Lab and retail facility operated by Hoppe Tree Service in Milwaukee, Wisconsin.

Management on large block forests

Tom Hittle

Tom provided data collected from various sources resulting in the following conclusions:

- The large owner acreage base has decreased and along with it the harvest volume that is generated from this ownership base. A portion of the harvest volume tracked under current large ownerships is likely not included in the summary data due to limitations of the data procedures.
- For comparison purposes, average annual harvest volumes over the last three years on large owners is about 12 percent of the total annual harvest for large owners, State, and County Forest lands combined.
- From 2002 through 2014 harvest volumes averaged .35 cord equivalents (CEQs) and peaked at nearly .5 CEQs per acre on average for years 2005 through 2009. (These harvest figures are likely conservative numbers for comparison to FIA removals/growth given the specifics of the two data sources – DNR and FIA.)
- Using a growth figure of .4 CEQs/acre (from FIA data), harvest volumes for the peak years may have been above annual growth for this short period and were likely above growth on harvestable acreage. (Growth occurs and accumulates in all forest types and in stands that may not be available for harvest in a given year due to silvicultural and other restraints.) This amped up harvest level could still be within sound and sustainable forest management standards if preceded and/or followed by a period of lower harvest levels.

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- Overall, average annual harvest volumes ($\pm .35$ CEQ/acre) on the large ownerships for the last 13 years appear generally in line with annual growth ($\pm .40$ CEQ/acre), with some periodic variations, and towards the upper range of removals when compared to figures indicated by FIA data on other Wisconsin ownerships (.12 - .40 CEQ/acre).
- Near term harvest levels on large landownerships will be a function of the next available harvest opportunities on acreage harvested during the peak harvest years of the mid-2000s and landowner objectives which may range from generating near term income from harvests or building volume and value in developing stands.
- Large ownerships provide benefits beyond their emphasis on timber production. Some of these include:
 - a. In combination with the public land base, large timberland ownerships help sustain a regional workforce of logging contractors.
 - b. Provide critical connectivity between large public ownerships for snowmobile trails and other recreational opportunities.
 - c. DNR figures indicate that the vast majority (95 percent +) of the large ownership lands are open for public recreational uses that are required under the provisions of the forest tax law programs.

Senator Tiffany feels the data provided represents a short-term trend that everyone should be cognizant of. If there is concern regarding the amount of wood coming off the properties, the message to landowners should be "be aware of additional constraints hindering the harvest of timber."

State Budget Updates

Paul DeLong

Cutting Notices (Ryan Severson/Troy Brown):

The Department solicited assistance from stakeholders to identify and sort through issues affecting implementation. This is being tied to a broader effort to look at a revision to the cutting notice itself; however, this broader effort is on a somewhat longer timeframe. The teams are working together to streamline the process and incorporate the new law into standard operating procedures. Guidance has been distributed to partners and staff and revisions to the Forest Tax Law Cutting Notice Guidance and Handbook are posted for public comment.

The Division of Forestry identified the four FTE positions that will be eliminated by assessing the cutting notice workload in each district. The four Forestry districts identified one position per district to eliminate based on where they could most effectively redistribute remaining workload amongst the team.

Comment period for the Cutting Notice guidance is open until August 5 –

<http://dnr.wi.gov/news/input/Guidance.html>

Action: Henry would like to see a baseline for tracking success developed. Henry, Jesse and Paul will discuss the potential for this outside of the meeting.

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Dispute Resolution Process (Paul DeLong):

The Council on Forestry (Council) sent a letter to the Joint Committee on Finance (JFC) seeking funding enabling the Council to pursue work on identified priority issues and also recommended the establishment of a dispute resolution process (DRP). The legislature did not take action on this request.

The Division's legal counsel reviewed the Council's proposed process and found several areas of concern that would affect the Council's ability to implement the DRP without a statute change. If, in this process, the Council oversees final decision-making authority, it may change the Council's status (which right now is advisory only). Other legal issues include:

- The DRP committee would not be protected from private civil suit for their decisions/actions, etc., unless specifically covered by statute, and they would not be able to compel testimony, require specific discovery, or have other substantive process issues addressed.

The Division is still very supportive of the Council pursuing a statutory change that will allow for the Council's leadership of the DRP. In the meantime, the Division wants to work with the Council to improve the current DRP, recognizing the need to more closely manage the process in this interim period.

Rebecca presented two proposals for a dispute resolution process based on feedback from Council members. After discussion, the Council made the decision to move forward with the following process:

Decision:

Council decided to move forward with the following DRP Process as outlined below:

Purpose of DRP: 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.

Administration of DRP: The Division of Forestry would manage the dispute resolution process (process) and, as funds allow, pay for the expenses of the experts.

Funding: There is currently funding outlined by the Department for "outreach to unengaged landowners" that will be used temporarily to fund this process.

Process:

The Division, with review by the Council, would form a committee of representatives from several different organizations (e.g., DNR, WWOA, WCF, GLTPA, SAF) to provide guidance and develop operating policies and the criteria for selecting "forestry experts". The Division will solicit at least three names from each of the representative organizations to serve on the committee and the Division will make specific recommendations to the Council for final approval. (This committee's sole purpose is to develop the guidance and operating procedures and is different than the panel in step 5.)

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Decision(s):

- Clarification needs to be developed in regard to what types of disputed will be included.
- The organizations referenced in step one of the process would include representation from all of the organizations identified by statute to sit on the Council.

Action Item: Council members need to reach out to the organizations and associations they represent to identify (if desired) someone to participate on the committee designing the process.

Action Item: The Council will work to designate the committee, develop guidance, and update the document before it goes out for comment.

Good Neighbor Authority (Rebecca Diebel):

The state budget authorizes the Department to conduct certain forest management activities on federal land (as permitted by federal law) under a cooperative agreement between the State and the U.S. Department of Agriculture. The funding authorized is \$395K in Forestry SEG in FY2016 for contracts under this program and \$355K in FY2017 to be released by the Joint Committee on Finance after review of a study on the use of FY16 funding is submitted by the Department in January 2016. Initial up front funding for these management activities would be covered by DNR, but the amendment provides that 10% of the income from timber sales on federal lands would be lapsed back to the Forestry Account, until the up-front state funding has been recovered.

The Division has been working with Chequamegon Nicolet National Forest (CNNF) to determine what projects the Division could conduct to help the national forest implement their management plan. The Department anticipates signing agreements with the USFS within the next few weeks. The GNA allows states to either conduct the management themselves, sub-contract with private sector providers or sub-award to a county to conduct the work. The Division has reached out to the counties to assess their interest in working on these projects. In addition, the Division is exploring the use of other options for getting some of the work accomplished. The Forestry Leadership Team is working on the implementation strategy and how the Division's workload will be back-filled as needed. Communication will be coming soon on what work will be subcontracted or awarded to counties.

Training of DNR staff regarding silvicultural procedures will be conducted at the end of August by CNNF staff. There is 25.8 MMBF ready for establishment this year. The Department will begin working on this as soon as training has been completed.

Other Budget Provisions (Paul DeLong)

The following list includes brief summaries of the other state budget items related to Forestry.

1) Managed Forest Law cutting notice approval

The department will no longer be responsible for approving cutting notices filed by Cooperating Foresters, as well as foresters accredited by the Society of American Foresters, Wisconsin Consulting Foresters and the Association of Consulting Foresters. This provision was accompanied by a reduction of 4 FTEs to reflect the reduced workload.

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2) Managed Forest Law (MFL) Closed Acreage Fees

The budget now provides that the DNR will distribute funding to municipalities in which there is Managed Forest Law closed acres.

3) Managed Forest Law (MFL) Certification

The budget changes the enrollment process for managed forest land into the group certification programs.

4) Good Neighbor Authority (GNA)

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program and \$355,000 in FY 2017 to be released by the Joint Committee on Finance after review of a study on the use of FY 16 funding is submitted by the Department in January of 2016. Initial up front funding for these management activities would be covered by DNR, but the amendment provides that 10% of the income from timber sales on federal lands would be lapsed back to the Forestry Account, until the up-front state funding has been recovered.

5) Northern State Forest Master Plans

The budget requires the Department to update master plans for Northern State Forests and seek variances for the master plans by June 30, 2017. In addition, increase the percentage of production acreage in Northern State Forests from 66% to 75%.

6) Recreation Trails – silviculture allowance

See Section 974m. of the budget bill for the following:

Silvicultural allowance: 23.116 (4) The department may not prohibit a person engaged in silviculture from crossing a recreational trail on department property. At the request of a person engaging in silviculture, the department shall temporarily close a portion of a recreational trail on department property. Before the recreational trail is reopened, the person engaging in silviculture affecting the recreational trail shall restore any portion of the recreational trail affected by the silvicultural activities to its condition prior to those activities. The department may not limit the scope of a silvicultural activity on department property based on the proximity of that activity to a recreational trail on department property.

7) State Forest recreation fee increases

Recreation fee increases are department wide and State Parks collects the largest percentage of recreation fees.

- Increase the State Park and Forest annual admission fee by \$3 effective Jan 1, 2016
- Increase the State trail annual pass by \$5 to \$25 and increase the daily trail pass by \$1 to \$5
- Increase the fee for campsites with electricity by \$5 to a \$10.
Implementation: State Forests only have 1 campground with electricity, Black River State Forest, with one horse campground planned for electricity on Governor Knowles. State Parks has the majority of the Departments electric campsites and of the total 25% have electricity.
- Increase camping fees by \$3-\$5 to a rate of \$15 and \$20.
Implementation: State Forests currently have campsites at the \$12 and \$15 rate. These will likely be increased to \$15 and \$20 but the Secretary of DNR has the authority to determine individual campsite rates within the statutory range. The charge will soon become effective. Forestry has been working

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with the Parks program to ensure the criteria are implemented consistently across DNR properties.

8) Roads funding

Department road funding was restored at \$2.0 million per year with dollars from the Forestry Account rather than GPR as it is under current law. One third of the amounts appropriated are available for town and county road aids within DNR ownership boundaries. Two thirds, approximately 1.3 million, will be used for Department owned roads, including roads on which the department owns a public access easement. The department will be discussing implementation of this program in light of the change in funding source.

9) Car killed deer funding

See Section 625b.

The budget appropriates \$701,400 for each year of the biennium from the forestry account for the removal of car-killed deer. This changes the funding source; however, the Forestry program is not involved in implementation.

10) Stewardship

The budget includes a \$9 million state land acquisition program, a separate \$5 million county forest acquisition fund and a \$7 million nonprofit conservation organization (NCO) acquisition fund. Also included is \$3,750,000 million each year for DNR property development including motorized stewardship grants, using \$3 million in each year from the Forestry Account (one time funding) for property development of Department lands. As we understand, the current program requirement that a maximum of 1/3 of all state land acquisitions be fee simple will remain. All fee simple land acquisitions north of Highway 64 acquired using stewardship funds will be subject to review by the JFC under a 14-day passive review procedure. Overall, Stewardship will be about a \$33 million program during the biennium, down from about \$50 million this year.

11) Urban Forestry Grants

The budget maintains the current program at the base level funding of \$524,600 Forestry SEG.

The Department currently awards urban forestry grants to cities, villages, towns, counties, tribal governments and non-profit organizations for up to 50 percent of the cost of various projects, including tree management plans, tree inventories, brush residue projects, the development of tree management ordinances, tree disease evaluation, public education relating to trees in urban areas and other related projects.

DNR may also award grants under the urban forestry grant program for the costs of removing, saving, and replacing trees that have been damaged by catastrophic storm events in urban areas if the Governor has declared an emergency. No match is required for storm emergency grants.

12) Capacity Grants

The budget eliminates funding for several NCO capacity grants as summarized below.

Grant	Prior Annual Funding	Budget Action
Urban Forestry Protection	\$74,200	-
Ice Age Trail Alliance	\$74,200	-
Gathering Waters	\$138,300	-
Natural Resources Foundation	\$84,100	-
River Alliance of Wisconsin	\$69,200	-

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Wisconsin Lakes	\$200,000	-
ATV Safety Program	\$297,000	-
Florence Wild Rivers Interpretive Center	\$22,800	-
County Forest Association Membership Dues	\$50,000	-
Master Logger Program	\$148,500	-
	\$1,158,300	-

13) Wisconsin Environmental Education Board (WEEB)

The Wisconsin Environmental Education Board (WEEB) will continue until the end of the biennium. The only funding authorized will be \$200,000 (forestry account) for FY 2015-2016 environmental education grants; no funding authorized for 2016-2017.

14) Moving Forestry headquarters to a northern location

The budget requires the DNR to develop a plan to move the headquarters of the Division of Forestry (DOF) from the City of Madison to a northern Wisconsin location. The plan needs to include the costs of relocating the headquarters, a timeline for implementing the relocation and a list of options for locations. The department shall complete the plan in time for the plan to be included in the department's 2017-2019 biennial budget requests.

15) PILT

The legislature increased the percentage of Forestry Account funding for PILT payments from 40% in FY'15, to 45% in FY'16 and then 50% in FY'17 and beyond. Total increased draw on the Forestry Account is \$2.9 million for the biennium.

16) Forestry Account Audit

Joint Finance Committee requested that the Legislative Audit Committee require the Legislative Audit Bureau to conduct an audit of the Forestry Account. The Governor vetoed this provision stating that the Legislature does not need statutory authority to direct one of its own service agencies to conduct a study.

17) Other items included in budget

The following items were included in the Governor's budget and were not modified during the process:

- Funding for master lease for field computers and data recorders
- Modification of the Forest Fire Protection Grant appropriation
- 5 FTE reductions (in addition to the 4 FTE reduction included in item #1 above). The department is working on implementing these reductions.

A more detailed budget summary document which includes a description in addition to the process for implementation where one exists was shared with the Council.

Action Item: Paul and Rebecca will update the budget summary document and share electronically with the Council.

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Forest Practices Study update

Henry Schienebeck

Research continues to move forward. A meeting is scheduled for August 14th to obtain information on the work being performed by the University. Fred, Earl, and Troy are working together to obtain information on certification which will assist in the determination as to whether an evaluation of forest certification is warranted.

Collaborative Forest Landscape Restoration Program (CFLRP)

Rebecca Diebel

<http://www.fs.fed.us/restoration/CFLRP/>

CFLRP is a very intensive Forest service program that began in 2009 and provides funding. There are 23 of them currently around the country. Rebecca Diebel and Matt Dallman gave a presentation regarding the current use of this program and how we in Wisconsin could potentially use it.

Action Item: Matt will put together a white paper for Council review.

Legislative Report

Rep. Jeff Mursau: Jeff and Tom are working on a Forestry package and plan to introduce it this fall. Jeff also questioned the Council as to whether an individual performing forestry work for many years however does not have a 4-year degree should be able to put his/her name on the work.

Sen. Tom Tiffany: In discussions, the accreditation regarding cutting notices could get tweaked. In addition, the Senator referenced the recreation trails verbiage placed in the budget giving silviculture activities preference and suggested if Council members have instances like this going on, be a good neighbor. This allows trails to be closed, when necessary, to perform silvicultural practices.

State Forester's Report

Paul

DeLong

There was an announcement by the Department that it is going through strategic alignment resulting in interim organizational changes within the Department. Forestry was not affected by the interim structure change however it will be participating in the core work analysis. The Division will be able to utilize the strategic direction prepared by the Forestry Division in 2011. There will be opportunities for external engagement on this.

Wildlife Action Plan (WAP) is now out for public comment. Council members were encouraged to review and engage in the comment process. The deadline for comment is August 21st. This will go to the Natural Resources Board in September.

Next Meeting – September 30, 2015 – Grand Lodge, Rothschild, WI

Meeting minutes respectfully submitted by Terrisa Mulder, Wisconsin Department of Natural Resources