

Council on Forestry Meeting
Forest Products Laboratory
One Gifford Pinchot Drive, Madison, Wisconsin
June 11, 2015

Council Members Present: Henry Schienebeck (Council Chair), Jane Severt (Council Vice-Chair), Paul DeLong, Kim Quast, Rep. Jeff Mursau, Sen. Tom Tiffany, Paul Strong, Matt Dallman, James Hoppe, Tom Hittle, Richard Wedepohl, Jim Kerkman, Virgil Waugh, and Mark Rickenbach

Council Members Absent: Bruce Allison and Troy Brown

Guests Present: Terrisa Mulder, Nancy Bozek, Jessie Augustine, Sara Bredesen, Gretchen Marshall, Jim Warren, Darrell Zastrow, Rebecca Gray, John Nielsen, and Tyler Wentzlaff

Chair Schienebeck called the meeting to order at 9:15 am with introductions of Council members and guests present.

Meeting Minutes

State Budget Updates

Paul DeLong

1. MFL 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. The changes will go in to effect July 1 or when the budget is signed, if that is later. A group is currently being established to address the changes. This group will also revisit the cutting notice itself and establish a FAQ document to address questions.

DNR has been engaged with legal services regarding the ability to do this via a guidance document verses Administrative Rule.

The reduction of Forestry FTE positions will result in a shifting of responsibilities over a geographical area, reflecting the integrated nature of our field positions.

2. MFL Closed acreage fees

The text from Motion #242: "Require DNR to provide \$1 million in fiscal year 2015-16 and \$1 million in fiscal year 2016-17 in one-time funding from the forestry account to municipalities based on the acres of managed forest land designated as closed. Specify that the taxation district or municipality in which the land is located retain 80% of the revenues and remit 20% of the fees to the county."

The Department intends to engage the Wisconsin Towns Association and Wisconsin Counties Association in a discussion about implementation of this provision. In addition to answering the three questions outlined below, there are several financial reports and tables that will need to be modified to implement this motion.

1. By what date will the Department need to make this payment to municipalities?
2. By what date should the MFL closed acreage be determined to calculate the amount to be paid to each municipality.
3. How will the Department determine the basis for allocating the closed acreage fee?

Council on Forestry Meeting
Forest Products Laboratory
One Gifford Pinchot Drive, Madison, Wisconsin
June 11, 2015

3. MFL Certification

Motion 242 specifies that if the Department establishes a certified group through which owners of land designated as MFL land may participate in a group certification program, DNR may not automatically enroll designated MFL land in the certified group. Specify that the Department may enroll MFL lands in a certified group only if the owner of the MFL land affirmatively elects to have the land enrolled in the program.

A decision needs to be made as to whether or not we go back to the group of landowners that already had to make the decision to opt in or out by June 1 and offer them the option to change their original decision. Council members suggested that this should be applied to those who apply for the next round of entry and beyond.

4. GNA

The Department has been working with CNNF to determine what projects the Division could conduct to help the national forest implement their management plan. The Forest Service is still finalizing the agreements that states will use under Good Neighbor Authority (GNA). The Department anticipates those will be final in the next 3-5 weeks; therefore, the earliest an agreement will be signed is July 2015.

There have been two limitations identified on the ability to perform work through GNA.

- Clarification is needed regarding what type of road work can be completed under the agreement. Congress is working on a solution.
- FS is still trying to resolve how program income will be calculated.

Motion: A motion was made by Jane Severt and seconded by Mark Rickenbach that the Council develop and send a letter to our congressional leaders urging them to address the issues above so we can move forward with implementation. Within the letter, we will also thank U.S. Forest Service for all of the work done to date on GNA. Motion carried.

Action Item: DNR will work with Jane will develop the letter.

5. Northern State Forest Master Plans

- a) Requires DNR to complete a variance to Northern State Forest Master Plans, with exception of Governor Knowles State Forest, by June 30, 2016.
- b) Requires the Department to increase the percentage of lands on Northern State Forests, classified as "Forest production management areas" to 75%.
- c) Includes specific language describing the objective of Forest Production management areas, including emphasis on economic considerations and locally accepted timber production practices common to the timber industry. Specifies that Forest Production management classifications cannot have another designation.

6. Recreation Trails – silviculture allowance

Specifies that the department may not prohibit persons engaging in silviculture from crossing a recreational trail under DNR jurisdiction, and furthermore provide DNR authority to close the trail temporarily at the request of the person engaging in silvicultural practices.

This provision applies to all Department lands, not just State Forests.

7. State Forest recreation fee increase

- Increase State Park and Forest annual admission fee by \$3
- Increase the State trail annual pass by \$5 and the daily trail pass by \$1
- Increase fee for campsites with electricity by \$5
- Increase camping fees by \$3-\$5

8. Roads Funding

State Park, Forest and Riverway Roads funding was restored at \$2.0 mil/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 local highway grants on roads within State properties. The Department will be discussing implementation of this program in light of the change in funding source.

9. Car killed deer funding

Clarification, this is a two year funding source,-the issue will be taken up again in in the next budget process. Forestry will not be responsible for picking up the carcasses. The Bureau of Law Enforcement oversees the contracts for this program.

10. Stewardship

The JFC revised the Governor's proposal and included \$9 million state acquisition program and a separate \$5 million county forest acquisition fund. Also included is a \$6 million property development program (\$3 million/year), funded from the Forestry Account. Overall, Stewardship will be about a \$33 million program during the biennium, down from about \$50 million this year.

Action Item: Paul will update information about the Stewardship action in the document before it is sent back out to the Council.

11. Urban Forestry Grants

The committee voted to restore the current program and eliminate modifications included in the Governor's budget. Current base level funding of \$524,600 Forestry SEG continues to be available.

12. Capacity Grants

- WCFA and Florence interagency center grants were fully restored
- Master logger grant was reduced by 50%, reflecting current use levels
- Northern Great Lakes Visitors Center grant was fully restored in the errata
- All other capacity grants were restored but only at 90% of current funding

Council on Forestry Meeting
Forest Products Laboratory
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Action Item: Paul will add into the document a complete list of grants that are funded by the Forestry accounts. In addition, how the Forestry account will be affected overall.

13. Wisconsin Environmental Education Board (WEEB)

Forestry funding for WEEB continues for FY'16. Following FY'16, the funding and the board itself will be eliminated statutorily. Total FY'16 funding is \$200,000.

Gretchen Marshall (LEAF) provided clarification that half of the funding is allocated to school forests and the other half allocated to general forestry non-profits for education purposes.

Concern regarding how the grant funds get allocated if the board is eliminated in July 2015 was addressed. This will need to be clarified. What happens after funds are allocated in FY'16 without the existence of the board? The question was raised as to whether a new board might be developed to replace this one.

14. Moving Forestry headquarters to a northern location

By next summer DNR needs to have something developed to present to the NRB in September 2016 for inclusion in the Department's proposed FY'17-19 budget.

15. PILT

JFC increased the percentage of Forestry account funding for PILT payments on state owned lands 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. Forest Account Audit

JFC requested that the Legislative Audit Committee require LAB to conduct an audit of the Forestry Account.

Others:

Modification of the Forest Fire Protection grant appropriation – advanced without comment

Forestry equipment master leases- advanced without comment

Economic Summit Sub-Committee Updates

Committee Chairs

Workforce Development - Mark Rickenbach

Goal: Increase the workforce/proficiency of technical and skilled workers (i.e. manufacturing and timber producers) which support the forest industry as demands seem appropriate.

Individuals are very interested in the topic however right now much of it consists of gathering data.

The team has been able to identify trends through data from the Bureau of labor statistics. Mark will share this data with Henry and his board.

Council on Forestry Meeting
Forest Products Laboratory
One Gifford Pinchot Drive, Madison, Wisconsin
June 11, 2015

In regard to re-engaging the youth, he isn't seeing much activity in 4H; however, FFA has annual competitions through Ag.

Mark had a conference call with Gretchen earlier this year to learn more about the LEAF program and how they could provide assistance. Conversations were put on hold pending the outcome of the budget however he plans to pick them up again soon.

The team seems to be unsure exactly what training is needed and is looking for some data to outline the needs.

Private Forestry Management – Kim Quast

Goal: Increase management of and increase timber production within Wisconsin's private forests with sustainable forestry practices.

1. Education and Outreach Committee

Committee work has been paused to await the results of area DNR efforts. Unsure if there is a need for the Council to do additional work on this effort. Kim could stay in touch with whoever takes over Carol Nielsen's position at the DNR and come back to the Council with a report on how their efforts play out. Someone from Driftless Forestry Network (DFN) and Lake Superior Landscape Restoration Partnership (LSLRP) could also give a presentation to the Council regarding their accomplishments and goals. This could be done sometime this fall.

2. Forest Economics Committee

A timber sale economics brochure has been developed and will be distributed as soon as it is updated.

A website has been developed to broker unsold timber sales and is available for use. This needs to be advertised as an available tool! Heather Zimmer at GLTPA is the contact for the site.

Action Item: The Forest Economics Committee is to write a letter to DNR regarding the incorporation of geospatial analysis into WISFIRS to aid CPW's in grouping small mandatory practices with surrounding properties currently enrolled in MFL during the plan writing process.

3. Forest Accountability Committee

The committee verified information already exists on the action items listed below however it needs to get out to the public. The best way to do so is via the DNR website. Kim has been working with Ron Gropp at the DNR to accomplish this.

- Action Item #1: How should landowners conduct reference checking and background checks?
- Action Item #4: Landowner Complaint System (advertise)
- Action Item #5: How does a landowner check for past legal issues?
- Action Item #7: Industrial foresters listed as consultants in the Cooperating Foresters book.

The committee identified that no action was needed on the following items:

Council on Forestry Meeting
Forest Products Laboratory
One Gifford Pinchot Drive, Madison, Wisconsin
June 11, 2015

- Action Item #2: Where to advertise additional technical assistance. (invasive plant control, tree planting)
- Action Item #3: Information about the benefits of forestry.

The committee feels action item number six should be addressed in some capacity. The Council decided to table the item and discuss off-line.

- Action Item #6: Develop a Cooperating Forester auditing system.
 - Issues with Cooperators program
 - Develop a Cooperating Foresters auditing program – Cooperators appear supportive however unwilling to pay for such a program
 - Forester licensing program – past efforts have been unsuccessful

Dispute Resolution Process (DRP)

There is Council concern regarding the effectiveness of the current process and concurrence that it needs to be addressed. The Council's request to JFC to include this in the budget was not successful. The Council will resubmit the concept to the legislature and Senator Tiffany and Representative Mursau can present it as part of the Forestry package in an attempt to obtain funding, etc.

Action Item: Paul will develop a short-term process for Council to review to cover disputes that come in between now and when a new DRP can be formally developed through legislation.

Wisconsin Wildlife Action Plan (WAP)

Drew Feldkirchner

The 2015 WAP revision review committee consists of members from various groups. Division of Forestry (DoF) staff members are assisting the committee in the development of the revision. Carmen Hardin (DoF) and Jeff Barkley, County Forest Association are members of the Advisory Team. Conservation actions outlined within the proposed document were discussed by the Council. It was stated Conservation Actions are simple and clear suggestions, not requirements.

WWAP is a guide to conservation efforts that provides conservation opportunities, prioritizes limited resources, and is a tool for planning.

July – Advisory committee will review the plans
August – Goes to NRB and 21 day comment period
September – USFWS submittal

Training for use of WWAP will be provided with this publication as it wasn't last time.

Several Council members raised concerns about the WAP and how it might be used. A number of statements in the work draft were highlighted as problematic and judgmental by some. Council members had differences of opinions as to the importance of the WAP and the likelihood that it might be misapplied. A suggestion was made that it would be important that the introduction to the WAP clearly outline what it is and is not, and describe how the information contained in the WAP might be used.

Action Item: Senator Tiffany would like Drew to provide the Council the exact numbers on how much money comes from the Federal Government for this and confirm if we did not accept the money would we not have to complete the WAP. He would also like clarification on the number of species of concern. He would like to put in the Forestry Action Plan that the WAP is strictly advisory.

Tax Credit for thermal biomass heating

Rep. Jeff Mursau

Currently on hold, no update provided.

Expanding the manufacturing and agriculture tax credit

Richard Wedepohl

Current law reads: The manufacturing and agriculture tax credit will be equal to 7.5% of eligible production activities income from Wisconsin-based assets once fully phased in in tax year 2016. To determine claimants agriculture property factor (which determines the eligible production activities income from Wisconsin-based assets), the claimant's average value of real property and improvements that are assessed and valued under state property law as agriculture property used in Wisconsin to produce, grow, or extract qualified production property is divided by the average value of all the claimants real property and improvements used to produce, grow, or extract qualified production property.

The Governor's original budget proposal included intent to "broaden the class of Wisconsin-based assets that could be used in the numerator of the claimant's agriculture property factor to include real assets and property assessed and valued under state property tax law as undeveloped, agricultural, forest, productive forest land, or other."

The above modification was removed with an explanation that the provision was inadvertently included in the bill.

Motion:

A motion was made by Richard Wedepohl and seconded by Mark Rickenbach that the Council draft a letter to legislature in support of the Governor's original budget proposal as stated "broaden the class of Wisconsin-based assets that could be used in the numerator of the claimant's agriculture property factor to include real assets and property assessed and valued under state property tax law as undeveloped, agricultural, forest, productive forest land, or other." Motion carried. Rep. Mursau, Sen. Tiffany and Paul DeLong abstained from voting given their positions.

Legislative Report

Legislators

Representative Mursau is working on Senator Petrowski's equipment issue in addition to obtaining a winter license for log trucks. Log trucks currently hold a permit that can be pulled during heavy snow events. In order to make this switch it is estimated by DOT to cost \$300-500K.

Senator Tiffany expressed the legislature's intent for changing the cutting notice process is to bring more wood to the market place. He was hoping to get more than \$1million in closed acreage fees back to local governments and will work to get more returned in the next budget process. He appreciates the work Paul Delong and the USFS are doing to move GNA forward. Regarding the proposed changes to Master Plans

Council on Forestry Meeting
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for state properties, Senator Tiffany indicated when he reviewed the information he felt production numbers should be higher.

State Forester Report

No one applied to take part in an Outcome Based Forestry pilot at this time. We will wait and try again in the fall to see if someone may be ready at that time.

The public comment period for Willow Flowage ends June 18th. A draft plan revision will go back out for comment before it is finalized. It will go to NRB in October.

Silvicultural Guidance Team – nominations have been solicited and Henry and Jane are reviewing them.

An additional comment period is open regarding the NLEB 4(d) rule for forest management activities under the threatened listing. Out east NRCS is allowing restrictions beyond those contained in the 4D rule. That is not happening here and efforts are being made to have federal agencies all conform to the 4(d) and not go beyond.

Action Item: Paul will share the Department's letter to the USFWS once it is written.

Federal Forest Reform – congress is discussing and introducing bills. There was a hearing in the house yesterday to do some federal reform.

Waters of the United States (WOTUS) has a new name. This won't have as much of an effect on Wisconsin as it may on other states given our state laws.

Action Item: Paul will send out additional details once received from the Water Division.

Next Meeting – July 29-30, 2015 – Summer tour/meeting

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