



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #664

Forestry Education and Partnerships (DNR -- Forestry and Parks)

[LFB 2001-03 Budget Summary: Page 480, #8]

CURRENT LAW

The forestry account provides \$50,000 annually to the University of Wisconsin – Madison Center for Cooperatives to award grants to persons in order to form forestry cooperatives that consist primarily of private, non-industrial forest owners. Currently, funds are being used by the Center for Cooperatives to conduct workshops on the formation of wood cooperatives.

GOVERNOR

Provide \$100,000 annually from the forestry account for sustainable forestry education projects for woodland owners. In addition, provide \$100,000 annually from the forestry account to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations).

DISCUSSION POINTS

1. Under the bill, \$100,000 is provided annually for sustainable forestry education projects for woodland owners. Funds would support conferences on best management practices that have been developed with other DNR forestry partners, including University of Wisconsin Extension, Wisconsin Woodland Owners Association, the Forest Productivity Council, Woodland School, and the Nature Conservancy. Under the bill, approximately \$17,000 would be designated for conferences focusing on sustainable forestry and best-management practices to train approximately 3,000 landowners annually. In addition, approximately \$48,000 annually would be used for forestry assistance advertising, publications, and sustainable forestry promotional material

for use by the Wisconsin Woodland Owners Association, the Association of Realtors, Farm Bureau, or other external partners who have contact with landowners. The Department anticipates reaching 20,000 landowners annually with forestry management information through this effort. Funding would also be available for the operation of Stewardship Demonstration Forests throughout the state as showcases of good forestry practices. These forests would range from 40 to 400 acres in size, and are intended to showcase good forestry practices. The \$21,000 provided annually under the bill would be used to complete forest management activities, brush out and maintain access roads and trails, provide tours of the forests, and print trail guides. The Department anticipates the demonstration forests to draw in excess of 8,000 visitors annually. Finally, \$14,000 would be provided to print and mail a Forest Tax/Forest Stewardship newsletter to approximately 25,000 Forest Tax Law participants, as well as town officials, consultant foresters, and other interested persons. The newsletter would provide information on sustainable forestry as well as reminders about compliance with program requirements.

2. The \$100,000 provided under SB 55 to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations) would be used in several ways. Half of the annual allocation (\$50,000 each year) would be used to contract with a private, non-profit cooperative development service to assist with the development of business plans and incorporation of wood cooperatives or associations. DNR anticipates involving approximately 500 land owners each year, and incorporating two wood cooperatives or landowner associations by the end of the biennium. This funding is intended to continue to build on work begun through cooperation with the University of Wisconsin over the last two years. With this funding, the UW Center for Cooperatives would continue to provide grants and development services to assist in the formation of various forestry cooperatives statewide, as well as providing educational programs and best-management conferences to assist landowners in determining when to seek professional forestry guidance and how, in many cases, to help themselves. However, 1999 Act 9 provided \$50,000 annually in ongoing funding for these services. Several projects that received funding, services, or development support as part of this initiative include the Sustainable Woods Cooperative, Wisconsin Family Forests, the Northern Wisconsin Wood Cooperative, the Kickapoo Wood Cooperative, and the Hiawatha Sustainable Woods Cooperative. Examples of supported development activities include the construction of a solar kiln used by one of the cooperatives to dry wood harvested from their sustainably managed forest, and the implementation of a pilot project to produce wood flooring for home builders. Other cooperatives have focused on educating members on sustainable forestry management, developing marketing approaches for their products, and investigating "value-added" production processes. Cooperatives that are able to produce value-added products (such as kiln-dried lumber or hardwood flooring) are generally able to generate a better return for its members than would be achieved by selling raw lumber. DNR and UW anticipate that the continuation of development services will increase the number of viable and self-sustaining wood cooperatives throughout the state.

3. When DNR proposed funding for this initiative as part of its biennial budget request, it assumed that the funding provided under 1999 Act 9 was one-time only, and that \$50,000 annually would be required to continue these efforts. However, as the \$50,000 provided in the 1999-01 biennial budget was an ongoing appropriation, this provision could be supported from the

available funds. Therefore, no additional expenditure authority would be required under SB 55 to support this program.

4. The Department plans on using the remaining \$50,000 annually to contract with UW Extension to develop educational programs focusing on woodland manager techniques and leadership as part of this initiative. Funds would be used for educational programs, organizational assistance, and meeting expenses to foster the new partnerships. The concept for the Woodland Leader Institute was derived from the Lake Leaders Institute – approximately 150 landowners will be trained each year in woodland management and sustainable forestry, with the understanding that these individuals will work with neighbors and communities throughout the state providing forestry assistance and wood management planning services. The Master Woodland Stewards program (based on the Master Gardners program at University of Wisconsin -- Stevens Point) would provide more intensive instruction to approximately 30 people annually. In addition to forestry and woodland manager training, instruction would be provided on building organizations and cooperatives, and management skills needed to lead community organizations. Participants in this program are expected to provide leadership for existing or newly-formed cooperatives and community groups; in addition, they could potentially fill directorship positions within existing organizations such as the Wisconsin Woodland Owners Association.

5. It is argued that supporting these educational programs may increase the level of forestry management expertise within communities and would provide some business training to aid in the development of forestry cooperatives. On the other hand, to the extent that successful wood cooperatives provide a profitable venture for its members, it could be argued that forestry cooperatives (like most other businesses) should not be subsidized with public money at the expense of self-supporting producers. In addition, if educational programs developed in cooperation with DNR and UW are necessary and beneficial to the targeted community, courses may be marketed as such, and the costs associated with them funded by the participants (and beneficiaries).

6. However, given that the mission of the Forestry Division includes promoting sustainable forest management among non-industrial private landowners, these initiatives may be viewed as consistent with that goal.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$100,000 SEG annually from the forestry account for sustainable forestry education projects for woodland owners. In addition, provide \$100,000 SEG annually from the forestry account to encourage innovative partnerships among landowners (such as wood cooperatives and landowner associations).

Alternative 1	SEG
2001-03 FUNDING (Change to Base)	\$400,000
<i>[Change to Bill]</i>	<i>\$0</i>

2. Approve the Governor’s recommendation to provide \$100,000 SEG annually from the forestry account for sustainable forestry education projects for woodland owners. Further, provide \$50,000 annually to encourage innovative partnerships among landowners. (Rather than \$100,000 under the bill, in recognition of the continuing funding provided under 1999 Act 9.)

Alternative 2	SEG
2001-03 FUNDING (Change to Base)	\$300,000
<i>[Change to Bill]</i>	<i>- \$100,000]</i>

3. Maintain current law.

Alternative 3	SEG
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>- \$400,000]</i>

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