

Wisconsin County Forests Association

Norman Bickford
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Webster, Wisconsin

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Vice President
Rhineland, Wisconsin

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Director
Thorp, Wisconsin

Michael Luedeke
Director-at-Large
Spooner, Wisconsin

Henry Schienebeck
Director-at-Large
Butternut, Wisconsin

Jane Severt, Executive Director
3243 Golf Course Road
P.O. Box 70
Rhineland, WI 54501

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Wisconsin County Forests Association
Concerns with Proposed FY2016 - FY2017
Wisconsin State Budget

Wisconsin's Knowles-Nelson Stewardship Program

We sincerely appreciate Governor Walker's desire to responsibly manage state tax dollars. However, we feel Wisconsin's County Forests are an accountable investment for the people of the State of Wisconsin.

Wisconsin County Forests Association (WCFA) represents the forestry interests of 29 counties with lands enrolled under Wisconsin's County Forest Law (state statutes §28.10 and §28.11). Collectively our member counties manage nearly 2.4 million acres of forest lands, the largest public ownership in the state. §28.10 and the opening paragraph of §28.11 read as follows;

28.10 County forests. The county board of any county may by resolution establish a county public forest and acquire land by tax deed or otherwise for that purpose.

28.11 Administration of county forests.

(1) Purpose. The purpose of this section is to provide the basis for a permanent program of county forests and to enable and encourage the planned development and management of the county forests for optimum production of forest products together with recreational opportunities, wildlife, watershed protection and stabilization of stream flow, giving full recognition to the concept of multiple-use to assure maximum public benefits; to protect the public rights, interests and investments in such lands; **and to compensate the counties for the public uses, benefits and privileges these lands provide; all in a manner which will provide a reasonable revenue to the towns in which such lands lie.** (Emphasis added)

Our county forests are working forests. Our sustainable forest management practices provide income to offset local tax levies. Our recreation programs are second to none and have been widely recognized for their societal benefits. Our large blocks of forests provide ecological benefits at a landscape level. There is no doubt our county forests are generous contributors to Wisconsin's forest products industry and to the healthy lifestyle many Wisconsin citizens choose to enjoy.

Wisconsin's County Forests first became eligible for land acquisition dollars under Knowles-Nelson Stewardship in FY11. Since that time we have added thousands of acres to our county forests with a substantial investment by county governments as our land purchases under this program require a minimum of 50% match.

We do understand the need for Wisconsin to be more diligent with land acquisitions under Knowles-Nelson Stewardship. The debt burden associated with this program has grown tremendously over the years and some purchases made could certainly be considered questionable. However, all of our county forest acquisitions are ranked and must meet certain criteria in order to be considered for funding. In addition, local approval of all proposed acquisitions via county board resolution is necessary in order to apply for funding. We ask you to consider the import role our county forests play in the overall economic and environmental aspects of life in Wisconsin.

In times of tight supply for Wisconsin's forest products industry county forests are well known to be a reliable source of raw material. Our outputs have remained fairly consistent over several years, this is important to both Wisconsin's \$20 billion timber industry and to the local governments dependent on income from their county forests. The same cannot be said for other ownerships of large forest blocks here in Wisconsin. The national forest lands in Wisconsin are nowhere near meeting management objectives contained in their forest plan while our county forests strive to meet their annual allowable harvests contained in our own forest plans.

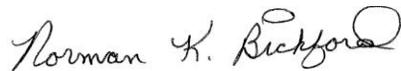
Former industrial forest lands, once owned by mills in order to ensure supply are now managed by Real Estate Investment Trusts (REITS) and Timber Investment Management Organizations (TIMOs). Some of our county forests have acquired former industrial timber lands and we believe that is good for both our forest products industry and Wisconsin's recreating public. When these lands are enrolled under Wisconsin's County Forest Law the state can be assured they will be managed sustainably for years to come and accessible for outdoor recreation. It has been brought to our attention there may be some great opportunities for counties to acquire large acreages of these lands in the near future. These acquisitions are much less likely to occur without match dollars from Knowles-Nelson Stewardship.

County forest lands purchased under Knowles-Nelson Stewardship do not carry the high payment in lieu of taxes (PILT) that comes with state land purchases. The current PILT to towns with county forest lands is 30 cents per acre, much, much lower than PILT paid on state lands acquired under the program. Source of funding for county forest PILT payments (acreage share payments) is Wisconsin's forestry mil tax (segregated funds). In addition, counties return a minimum of 10% of timber sale receipts to towns with county forest acres. Timber sale receipts on our county forests have ranged from \$30 - \$37 million over the past several years.

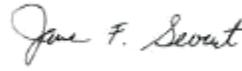
WCFA feels strongly it is in the best interest of the state of Wisconsin to have some dollars available under Knowles-Nelson Stewardship for the acquisition of county forest lands. Wisconsin's County Forest Program is "unique to the nation" and the envy of many other states. Please give us the ability to grow our program and enhance Wisconsin's economic outlook through improved forest management and increased recreational opportunities. We urge you to consider the importance of having some level of funding available for county forest land acquisitions under Wisconsin's Knowles-Nelson Stewardship Program.

If we can be of further assistance or provide additional information please do not hesitate to contact our office.

Sincerely,



Norman K. Bickford, President
Wisconsin County Forests Association



Jane F. Severt, Executive Director
Wisconsin County Forests Association