



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

May 4, 2023

Joint Committee on Finance

Paper #206

Forester Position (Board of Commissioners of Public Lands)

[LFB 2023-25 Budget Summary: Page 78, #3]

CURRENT LAW

The Board of Commissioners of Public Lands (BCPL) owns approximately 74,800 acres of school trust lands. BCPL has a fiduciary duty to manage these lands in trust for public education beneficiaries. Where possible, BCPL manages lands as productive forests. BCPL awards three-year timber contracts through a competitive bidding process. Proceeds from BCPL timber sales are deposited in the appropriate school trust funds in accordance with state constitutional direction.

DISCUSSION POINTS

1. 2005 Wisconsin Act 352 allows BCPL to "bank" proceeds from land sales and use them for acquisitions that meet certain criteria including: (a) improving land management; (b) decreasing forest fragmentation; or (c) increasing public access to the land. Further, Act 352 specified that the total acreage of public lands managed by the Board may not exceed the total acreage of public lands managed by the Board on May 3, 2006. As of that date, BCPL managed 77,845 acres.
2. BCPL has used its blocking authority to consolidate its land holdings in a region that spans portions of nine counties in northeastern Wisconsin. As of March, 2023, 94% of BCPL's landholdings are located within a county in the consolidation zone.
3. In addition to consolidating landholdings in close proximity to one another, BCPL has also aimed to block its land holdings together. Consolidating land holdings and blocking productive forest parcels together has made land management and timber sales more efficient. BCPL reports that since 2005, land banking has increased the Board's timber base by 19%. The table shows the number of BCPL forestland acres harvested and timber revenues since 2016-17. Through April, 2023, BCPL has received \$632,000 and expects to receive an additional \$173,000 in fiscal year 2022-23.

BCPL Timber Harvests

<u>Fiscal Year</u>	<u>Acres Harvested</u>	<u>Revenue</u>
2016-17	570	\$177,600
2017-18	1,077	524,200
2018-19	1,528	721,500
2019-20	1,054	418,200
2020-21	1,059	451,300
2021-22	1,700	1,024,000
2022-23	1,600	800,000*

* Projected

4. As BCPL has increased its stocks of merchantable timber, the Board has incurred additional costs in preparing the sales for harvest. Prior to offering timber for sale, BCPL foresters are required to set a boundary for the harvestable area, identify trees that may be removed from the parcel, estimate the quantity of harvestable timber on the parcel, and advertise the sale. BCPL employs one forester and one forestry supervisor. The Department of Administration (DOA) notes that BCPL's Lake Tomahawk office supervisor has helped with some land management duties.

5. Additionally, the Board has used limited-term employees (LTEs) to assist with forest sale preparation and reforestation work. However, BCPL reports that current budget authority is insufficient to hire LTE forestry staff. BCPL reports that the Board has also scaled back certain land management expenses in order to remain within budgeted allotments. BCPL notes that foresters have been unable to afford tree-planting and invasive species control on Board forestlands. While foresters have concentrated efforts on enhancing timber harvest revenue in the short term, BCPL staff argue cost controls could result in less productive forestland in future years, reducing timber harvest revenues that can be distributed to trust fund beneficiaries.

6. DNR is responsible for managing 536,147 acres of productive forestland in its northern forest properties. The Department is authorized 318 full-time foresters, including 147 senior foresters, 33 advanced foresters, 70.9 forestry specialists, 64.5 forestry technicians, and three district forestry leaders. These employees are responsible for preparing harvest sites, forest restoration and regeneration, and timber sale management. DNR averages one forester for every 1,684 acres of forestland under management. BCPL's two forester positions are responsible for managing 77,845 acres. BCPL averages one forester per 38,923 acres. While BCPL owns some acreage that is too remote, landlocked, or otherwise uncondusive to timber production, including only those acres in a county that is in the consolidation zone, BCPL averages one forester per 38,150 acres.

7. Assembly Bill 43/Senate Bill 70 would provide BCPL with one additional forester. BCPL staff expects that the additional position would reduce the amount of time it takes to invoice harvesters after a sale. Additionally, the additional forester could expand the number of acres on which the Board offers for timber contracts, increasing the total timber harvested and revenues to the school trust funds. BCPL estimates that an additional forester could enable Board staff to harvest timber from 2,050 acres of forestland each year. In 2022, BCPL harvested 1,700 acres, an increase from the

Board's long-term average of 1,060 acres each year.

8. The Committee could consider providing one forester position, increasing BCPL's salary and fringe allotments by \$52,200 GPR in 2023-24 and \$69,500 GPR in 2024-25 [Alternative 1]. This would expand the Board's total number of authorized positions from 9.5 FTE to 10.5. BCPL staff argue that the additional position would increase timber harvest revenues for the school trust funds and would assist with land management that could lead to future sustainable forestry.

9. As noted above, BCPL has used LTE foresters in recent years. However, Board staff note that the agency currently lacks the funding to pay LTEs. BCPL has an adjusted base general program operations allotment for LTE salaries of \$30,200. Following supplies and services budget reductions enacted in the 2021-23 biennial budget, BCPL has reduced expenditures and reallocated funding from the LTE allotment to fund supplies and services. To allow BCPL to hire LTEs, the Committee could increase the Board's LTE salary and fringe allotments by \$43,100 GPR, including \$40,000 for LTE salaries and \$3,100 for fringe benefits. This would allow the Board to hire two LTEs at a wage rate of \$20 per hour [Alternative 2].

10. The Committee could consider taking no action [Alternative 3].

ALTERNATIVES

1. Provide 1.0 forester position and increase BCPL's salary and fringe allotment by \$52,200 GPR in 2023-24 and \$69,500 in 2024-25.

ALT 1	Change to Base	
	Funding	Positions
GPR	\$121,700	1.00

2. Increase BCPL's LTE and fringe benefits allotment by \$43,100 GPR annually.

ALT 2	Change to Base
GPR	\$86,200

3. Take no action.

Prepared by: Eric R. Hepler