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Forestry Account

The Forestry Account, which is part of the State's Conservation Fund, supports forestry and other activities of the Department of Natural Resources (DNR) and eight other state agencies. It is funded primarily by a forestry mill tax, which is paid by all owners of taxable property in Wisconsin.

Forestry Account expenditures increased by 14.8 percent in the past four years, from \$63.0 million in fiscal year (FY) 1997-98 to \$72.3 million in FY 2000-01. The majority of these funds were spent by DNR for activities such as forest fire prevention and control, forest health and pest control, urban forestry, forest recreation activities, and forest management on public and private land. DNR funds 644.1 full-time equivalent (FTE) positions from the Forestry Account. Of this total, 449.7 FTE staff (69.8 percent) were assigned to work directly in support of forestry activities. The remaining 194.4 FTE staff (30.2 percent) were mainly administrative positions.

The Forestry Account Supported \$18.7 Million in DNR Administrative Costs

In FY 2000-01, DNR spent \$18.7 million from the Forestry Account to fund both allocated department-wide administration and support services costs (\$12.2 million) and administrative costs directly charged for forestry activities (\$6.5 million). The \$18.7 million spent for administration represents 27.8 percent of DNR's Forestry Account expenditures. While the number of DNR administrative and support positions funded by the Forestry Account increased by 18.8 percent from FY 1996-97 to FY 2000-01, the number of Forestry Account-funded DNR staff working directly on forestry-related activities declined 2.7 percent over this same period.

Expenditures Not Directly Related to Forestry Totaled \$4.5 Million

Concerns have been raised about the extent to which the Forestry Account has funded expenditures that are not directly related to forestry. We found that in FY 2000-01, DNR and other state agencies spent \$4.5 million from the Forestry Account on activities not directly related to forestry. DNR's expenditures in this category increased to \$1.3 million, which is 83.5 percent more than they had been in FY 1997-98. Since at least FY 1997-98, DNR forestry staff reported spending more hours on non-forestry activities than non-forestry DNR staff reported spending on forestry activities. The net reduction in reported staff time is equivalent to the loss of 3.4 forestry staff in FY 2000-01.

Some other state agencies' Forestry Account expenditures also provide limited or no direct benefit to forestry. For example, we estimate that of the \$3.4 million in Forestry Account funds the Wisconsin Conservation Corps spent in FY 2000-01, only \$230,000 was directly related to forestry.

Rapid Growth in Program Enrollment Has Limited Forest Management Efforts

The Managed Forest Law program provides property tax relief to individuals and corporate owners of forestland in exchange for commitments to promote sustainable forestry. The program has grown rapidly: applications increased 77.6 percent since 1997 and reached 3,251 in 2001, when over 2.0 million acres were enrolled in the program.

Most of DNR's Managed Forest Law work relates to the development and execution of management plans for parcels of 1,000 acres or less. Landowners are responsible for developing plans and ensuring completion of the management

practices they require, such as harvesting and thinning timber, brush removal or soil preparation, and planting. As a result of program growth, DNR staff have not been able to address their ongoing management responsibilities and, as of August 2, 2001, over 12,000 mandatory practices related to sound forest management on 187,165 acres had not been completed in the years specified in the forestry management plans. One effect of this backlog has been a deferral of approximately \$2.4 million in state and local revenue from overdue timber harvests and thinning of timber.

For a fee of \$1.00 per acre, program participants may close up to 80 acres of enrolled forestland per municipality to public access. Some landowners and DNR staff believe a significant number of participants are dividing their land into smaller parcels with different legal ownership to limit public access. In 2001, 80.8 percent of the 19,981 enrollments smaller than 80 acres were closed to public access. The Legislature may wish to consider program modifications to encourage more enrolled land to remain open to public access.

[full report, PDF file \(497KB\)](#)