

**JOINT LEGISLATIVE AIR AND WATER POLLUTION
CONTROL AND CONSERVATION COMMITTEE**

**REPORT OF THE
FORESTRY TASK FORCE**

**PURSUANT TO
SENATE RESOLUTION 81 of 2001**

April, 2003

TO: All Members of the General Assembly

FROM: Representative Scott E. Hutchinson, Chairman
Senator Raphael J. Musto, Vice Chairman

SUBJECT: Report on Legislative Forestry Task Force

DATE: April 15, 2003

Pursuant to Senate Resolution 81 of 2001, the Joint Legislative Air and Water Pollution Control and Conservation Committee submits the report of the Forestry Task Force. The recommendations adopted and presented in this report are the culmination of efforts on the part of the Task Force and its Advisory Committee. Senator Roger Madigan served as chairman of the Task Force.

LEGISLATIVE MEMBERS OF THE FORESTRY TASK FORCE

Senator Roger A. Madigan, Chairman

Senator Raphael J. Musto

Representative Gary Haluska

Representative Jim Lynch

MEMBERS OF THE FORESTRY TASK FORCE ADVISORY COMMITTEE

Dr. Theodore R. Alter
Director of Cooperative Extension
Pennsylvania State University

Mr. John Byerly, Chief Forester
Pennsylvania Game Commission

Mr. Josh First
The Conservation Fund

Dr. James R. Grace, State Forester
Pa. Department of Conservation
and Natural Resources

Mr. Jon Howard
Howard & Associates

Mr. Robert LaBar, ACF
SAF Certified Forester
Society of American Foresters

Mr. Ken Manno
Sustainable Forestry Initiatives of Pa.

Ms. Dee Pardini
Kane Hardwood

Mr. Bill Robie, Executive Director
Hardwood Lumber Manufacturers
Association of Pennsylvania

Mr. Peter Yaffe, Vice President
Government and Public Affairs
P.H. Glatfelter Company

Mr. Thomas Buzby
Director, Governmental Affairs
Weaber, Inc.

Mr. Kevin Elliott
U.S. Forest Service
Allegheny National Forest

Mr. Greg Grabowicz, Director
Land Management Bureau
Pennsylvania Game Commission

Mr. Gregory L. Hornsby
Wheeland Lumber Co., Inc.

Mr. Kenneth C. Kane
Pennsylvania Division of the Society
of American Foresters

Mr. Paul Lyskava, Executive Director
Pa. Department of Agriculture
Hardwoods Development Council

Mr. David Miller
Allegheny Forestry, Inc.

Mr. Ron Ramsey
The Nature Conservancy

Dr. Charles Strauss
The Pennsylvania State University

INTRODUCTION

Forest sustainability, the idea that healthy, well managed forests can support multiple land use goals while remaining healthy in perpetuity is a cornerstone of Pennsylvania's forest resource management. In practice, this means future generations will be able to enjoy the forests and the goods and services they provide, just as we do now. In managing these forests, it's recognized that they are dynamic systems that continually change and evolve and that we need to rely on the expertise, technology and science of forestry to accomplish our resource goals and strike a balance between the economic, social and environmental objectives.

The existing multiple use management policies encouraged for use on private and state forests are the responsible path to follow and have ensured quality recreation, watershed protection, biodiversity protection, wildlife and fish habitat, and the production of wood fiber. For decades, these forestlands have been managed for multiple benefits. Forest managers have been reclaiming and enhancing these areas and because of the management policies, these forests have been brought to the healthy and vigorous growing woodland they are today.

Recognizing the need for ongoing discussion and evaluation of forest resource management in the Commonwealth, the Pennsylvania General Assembly reestablished by concurrent Senate Resolution 81 of 2001, (see Appendix A) the Legislative Forestry Task Force and Advisory Committee. The charge of Senate Resolution 81 is to "establish a task force to study issues concerning the renewal and management of this Commonwealth's forests". Pursuant to Senate Resolution 81, the task force looked at the following:

- 1. The cumulative impact of Federal and State policies and programs on the future of the timber and forest products industry.**
- 2. Forest management in State Parks.**
- 3. The forest industry's use of best management practices and its record of working in riparian areas.**
- 4. Tax policies and valuations of forestlands in the Commonwealth.**

This report is the result of information presented to the task force and reflects comments and discussions by the task force and advisory committee.

The following organizations presented information to the task force:

- USDA Forest Service**
- Pennsylvania Department of Conservation and Natural Resources, Bureau of Forestry, Bureau of State Parks**

- **Pennsylvania Landowners Association**
- **Hardwood Lumber Manufacturers Association**
- **The Conservation Fund**
- **Pennsylvania State University, School of Forest Resources**
- **Dale, Woodard, Montgomery, Greenfield & Pemrick, P.C.**
- **Forest Investment Associates**
- **Cambria County Conservation District**

FOREST LEGACY PROGRAM

Forests. There are nearly 500 million acres of non-Federal forestland in the United States. Because these lands represent nearly 70 percent of the nation's total forests, retaining and keeping them healthy, productive and sustainable is paramount.

Nearly 60 percent of Pennsylvania's 28 million acres is forested. Private forest landowners own nearly 75 percent of these forests. These forests are vital to Pennsylvania's economy and environment. The timber and forest products industry is the fourth largest manufacturing industry in the state and employs more than 90,000 people. The industry contributes more than \$5 billion each year to the state's economy. Industry relies on private forests for over 80 percent of its raw material needs. Intact forestlands supply timber products, wildlife habitat, soil and watershed protection, aesthetics, and recreational opportunities. Nationally, Pennsylvania ranks number one in hardwood production, and forest-based recreation is a large component of tourism, Pennsylvania's second largest industry.

In certain regions of the Commonwealth, increasingly, highly valued private forests are being developed or divided into smaller parcels. With escalating land values and property taxes, the economic pressure on forest owners means more rural areas are becoming suburbs and more suburban areas are becoming cities. Fragmentation and conversion to non-forest uses continues.

How can the impact of such trends be lessened? The Legislative Forestry Task Force and Advisory Committee had the opportunity to review the Forest Legacy Program as a possible option for landowners to control forest fragmentation and maintain historical uses and values of forestlands. The following is a description of the program.

The Forest Legacy Program (FLP) was created by the Cooperative Forestry Assistance Act of 1978 (CFFA, 16 U.S. C 2103c), as amended by the 1990 and 1996 Farm Bills. The program began implementation in 1992 and was amended in 1996 to offer a State Grant Option. The FLP has experienced tremendous growth over the past decade in the form of significant funding increases, accelerated state enrollment and participation and expanded interest from governmental and not-for-profit environmental organizations. Its purpose is to help landowners, state and local governments, and private land trusts identify and protect environmentally important, working forestlands that are targeted for conversion to non-forest uses.

The USDA Forest Service administers the FLP in cooperation with state foresters and directly supports property acquisition and donated conservation easements. As a part of the Forest Stewardship Program, the FLP provides grants to participating states for assistance with these acquisition and easement purchases. This allows states a greater role in implementing the program. The program is designed to identify and protect working forestlands through perpetual conservation easements between willing sellers and willing buyers. By granting an easement in perpetuity, the property will be bound by the restrictions indefinitely. Most FLP conservation easements restrict development, require sustainable forestry practices and protect other forest values.

Pennsylvania's program is focused primarily on conserving forests for ongoing forest management to emphasize the sustainable production of timber. It is targeted to areas of the state where forestland is particularly susceptible to land development pressures.

Who is eligible? The most important part of Forest Legacy involves the private landowner who wants to conserve forestland values for future generations. Participation in the FLP is limited to private forest landowners. Willing owners who are accepted into the program have the option to sell the right to develop the land for which they receive fair market value. The owner keeps any remaining property rights and may opt to live on, work, or manage the property. Landowners who are willing to sell their development rights are encouraged to apply during a sign-up period, at which time, all applications are evaluated and ranked. The highest ranking applications will enter the acquisition process and the number of land parcels accepted for acquisition will depend on the funding available.

If accepted, landowners are required to develop a management plan as part of the conservation easement acquisition. The easement restricts development to the degree that is necessary to protect the significant forest values of that particular property, while allowing for activities compatible with a forestry operation. Even the most restrictive easements typically allow landowners to continue traditional

uses of the land. Because a perpetual easement is forever and runs with the land, the original owner and any subsequent owners of the land are bound by the easement restrictions. Under the program, easements are held and monitored by units of state and local government.

The federal government may fund up to 75 percent of the program costs, with the remaining 25 percent coming from private, state or local resources. Property taxes are paid by the owner on any retained rights as determined by local assessors. Many landowners benefit from reduced taxes associated with the provisions of limited land use.

What are “environmentally important” forestlands? According to the FLP, they include:

- **Areas that provide sustainable timber and wood fiber supply.**
- **Recreational resources that provide places to swim, hike and camp.**
- **Fish and wildlife habitat such as cold water trout streams or dense forest cover that provides protection for white-tailed deer.**
- **Cultural value such as unique geology or historical settlements.**
- **Aesthetic “viewsheds”.**
- **Forest buffers that stabilize soil and provide a natural filter for potential pollutants that may enter streams, rivers and other waterways.**

Recognizing the important contributions landowners, communities and private organizations make to conservation efforts, FLP also encourages partnerships with local governments and land trusts. However, only state and local governments may purchase easements while the Bureau of Forestry is solely authorized to purchase entire properties in fee simple. The donation of a conservation easement is a tax-deductible gift, provided that the easement is perpetual and donated exclusively for conservation purposes.

Currently more than 30 States and Territories are either active in the FLP or developing plans for approval. Since 1992, over \$126 million has been invested through the FLP to States and Territories and has enrolled almost 153,000 acres. This is due, in part, to federal budget increases from \$7 million in 1999 to \$60 million in 2001. This trend is expected to continue.

BUDGET HISTORY: APPROPRIATIONS
(Dollars in Thousands)

FY 1992	FY 1993	FY 1994	FY 1995*	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001**
4,938	9,915	6,948	6,688	3,000	2,000	4,000	7,012	29,933	59,768

* \$7.8 million of unspent funds were rescinded in FY 1995- all of the FY 1995 funds plus \$1.112 million of prior funds. The above amounts were the original appropriations before the rescission.

** Reflects realignment and adjustments to achieve primary-purpose objectives.

Because of the tremendous growth of the program, the Task Force and Advisory Committee asked the USDA Forest Service, Pennsylvania State Foresters, forest industry representatives, and environmental organizations to comment on the pending and eventual enrollment of Pennsylvania as a participating state.

While the FLP has a great deal of potential to help ease the issue of unmanaged growth and suburban sprawl, it is not an answer to an end. The program can lend itself as a valuable tool empowering landowners to make sound economic choices with options. Concerns have been expressed for the long-term implications and real effects of enrollment that have not been fully explored. The separation of property rights from property, for any purpose, especially in perpetuity is a significant action that enables government easement holders to dictate land use for future generations - an outcome not to be taken lightly.

Due to the lack of consensus among FLP supporters and detractors, the Task Force had the opportunity to meet with the State Forester to facilitate the ongoing discussion of the state's involvement in the FLP. The meeting gave the Task Force the chance to review the information presented and address additional concerns about the federal program's implementation in Pennsylvania.

As a result, the following recommendation was made.

RECOMMENDATION

The Task Force understands the concerns of the Advisory Committee and is sensitive to the projected impacts the FLP would have on the wood products industry. The Task Force is also equally sensitive to the issue of forestland conversion and the benefits the FLP could have on certain areas of

the state threatened by impending development pressures. The Task Force has agreed in principle to the FLP's goals and objectives and is comfortable with the program's structure and guidelines as finalized by the Bureau of Forestry. Moreover, the Task Force will continue to monitor the implementation of the FLP to ensure that its implementation fairly addresses the needs of all parties involved.

TIMBER HARVESTING IN STATE PARKS

Helicopters, forestlands and hurricanes. The combination sounds like a recipe for disaster, but the truth is just the opposite. A project at Ricketts Glen State Park partnered the Bureau of Forestry with the Bureau of State Parks to harvest salvage timber in the park's 13,000 acres located in Sullivan and Luzerne counties. As a result of damaging winds from Hurricane Floyd in September 1999, downed timber was scattered across nearly 3,000 acres in Ricketts Glen. The park is one of Pennsylvania's busiest parks and under normal circumstances, forest management within the Bureau of State Parks is based on construction projects on park property, wildlife habitat improvement and remediation of storm damage. However, the large volume of downed timber created a problem and an opportunity for park officials.

The Task Force looked into the practice of timber harvesting in state parks and discovered that bureau officials came up with a unique solution for timber removal in this case - helicopters. Due to concerns over environmental damage that construction of skid and haul roads might cause and knowing the value of the downed timber, it was decided that its removal would best be accomplished by transporting it out by helicopter.

The Pennsylvania Department of Conservation and Natural Resources contracted with a helicopter logging service located in Jacksonville, Oregon to cut, fly and deck a minimum of 3.5 million board feet (bf) of downed timber between October 15, 2000 and May 15, 2001.

The first helicopter began working on October 30, 2000, removing thousands of logs within six months. Although ground crews prepared the area by cutting felled timber, treetops and limbs were left to add biomass and nutrients to the forest floor and help protect new seedling growth from foraging deer.

The last helicopter flew out on April 14, 2001 and the result was almost 8 million board feet of timber removed and millions of dollars in timber sales (see chart).

Volume:

Black Cherry	5,649,189 bf
Red Maple	1,743,963 bf
Oak	129,575 bf
Misc.	476,855 bf
Total Volume	7,999,582 bf

Revenue:

Gross Income	\$ 6,983,830	Contract Cost	\$ 2,271,882
		Internal Expenses	\$ 500,000
Net Profit	\$ <u>4,211,948</u>		

Public reaction to the project was favorable and the sales from the timber were channeled back to Ricketts Glen State Park. In this particular instance, the sheer volume of quality, valuable timber made it cost-effective to allow helicopters to be used and the profit to be made. The project was a great success. Temporary skid and haul roads in environmentally sensitive areas would have made the project detrimental to the area and unprofitable, therefore, this needed to be taken into consideration prior to the development of any project. The project provided valuable needed timber supply to industry that otherwise would have gone to waste, provided a substantial financial benefit for the park, improved aesthetics and access, reduced the risk of wildfires and created a safer environment for visitors.

RECOMMENDATION

Because this extraordinary project demonstrated a comprehensive array of benefits to the park, without compromising environmental, aesthetic or operational considerations on the site, the Department of Conservation and Natural Resources, Bureaus of Forestry and State Parks should consider additional collaborative opportunities for salvaging timber where similarly unique circumstances prove economically and environmentally beneficial.

FOREST ECONOMICS RESEARCH

Research on the economic impact of the hardwood industry was conducted in 1999 by the Pennsylvania State University's School of Forest Resources (SFR).

More than 70 companies within the five-county region of Cameron, Elk, Forest, McKean and Warren were surveyed between January and August 2000 to determine the direct, indirect, and induced impacts the hardwood industry has on the regional economy. Total population in the region was 134,000 people.

Much of the region's second generation forests consists of Northern hardwoods, including beech, birch, maples, black cherry and red oak. This composite forest contains a number of age classes, types and ownerships. The research indicates that there are 2.2 million acres within the region. Forestland comprises 86 percent of the region, with non-reserved timber representing 82 percent. Forty-two percent of the region's forests are managed by nonindustrial private landowners, followed by public agencies (40 percent), and forest industry (18 percent).

The economic impact credited to the hardwood industry for that region was \$803 million in 1999. The industry supported more than 5,200 jobs and provided \$135 million in employee income. Regional timber production increased by 12 percent between 1997 and 1999, despite a decline in timber harvesting on the Allegheny National Forest. This loss in timber harvesting was offset through increased timber purchases outside the region and private and industrial forestlands within the region.

Total production from the region's hardwood industry was \$649 million, involving 3,000 jobs. This has helped create and sustain nearly 30 sawmills, several particleboard and veneer producers, a pulp and paper mill, 56 logging contractors and several other secondary manufacturers.

This is just one example of the invaluable contribution that the research from the SFR provides. Penn State University's College of Agricultural Sciences, which includes the SFR, is a recognized leader in forestry education and research, and has recently taken action to improve education about forests and forestry and to strengthen management of Pennsylvania's forests. The action initiates from the college's Strategic Plan which calls for improving forest management and use of wood products. A summary of enrollment in the SFR shows 32 faculty members and 380 students for the spring 2002 semester. The SFR provides educational opportunities and science-based information to protect, manage, and use forest resources. This is accomplished through their educational outreach and forest service programs in forestry, wildlife fisheries, and forest products. However, funding shortfalls in the 2002-2003 state budget would have far reaching implications on the future research projects, activities and programs within the SFR.

Budget cuts in the Governor's budget, combined with the increased cost of salaries and benefits will result in a \$5 million deficit for the College of Agricul-

tural Sciences. In addition, layoffs will occur, vacancies will not be filled and tuition will increase.

The current funding request will not allow the College of Agricultural Sciences to continue priority research and extension programs in forestry and water quality at the present levels.

RECOMMENDATION

Oppose any cuts in the 2002-2003 state budget for the College of Agricultural Sciences and the School of Forest Resources and request the Pennsylvania General Assembly to maintain current funding levels for Pennsylvania State University. (See Appendix B.)

FOREST TAXATION

Property taxes are one of the most complicated issues facing landowners today. Property taxes are used to operate our governments, whether at the local or state level and provide the primary method of revenue generation for towns and counties. Although there is preferential tax treatment for forestland in Pennsylvania through the Clean and Green program, private landowners, local officials and the forest industry have expressed concern about the program.

The Task Force had the opportunity to hear from Dr. Michael Jacobson, Penn State Forest Resources Extension Specialist, and Dr. Marc McDill, Penn State Assistant Professor of Forest Resource Management about forest taxation and the assessment of Pennsylvania's forest property tax on lands enrolled in the Clean and Green program. The following is a summary of their discussion.

The Clean and Green program was made possible by an amendment to the state constitution in 1968 that stated "*The General Assembly may, by law: (i) Establish standards and qualifications for private forest reserves, agriculture reserves, and land actively devoted to agriculture use, and make special provision for the taxation thereof;*" (Pa. Const., Art.8, Sec. 2 (b)(i)). Pennsylvania's Clean and Green program, also known as the Pennsylvania Farmland and Forest Land Assessment Act (Act 319), was therefore enacted in 1974. The goal was to create a program that maintained farmland and forestland as open space while allowing for taxation according to use rather than the market value.

There are four basic provisions for enrollment in the program:

- 1. A minimum of 10 contiguous acres.**
- 2. Land assessment is based on a use value rather than a fair market value.**
- 3. Land cannot be removed from the program without a change of use.**
- 4. Change of use triggers a roll-back tax penalty on the entire property.**

Currently there are more than 2,350,000 acres of forestland enrolled in the Clean and Green program in 29 counties. Assessed values for the forestlands are set by the Bureau of Forestry and based on a productivity tax formula. This preferential treatment of forestland is based on the land's ability to produce revenue by growing and harvesting timber. If a forest landowner does not enroll in the program, they are assessed and taxed at fair market value. Only counties with assessed fair market values higher than Clean and Green values for forestland, or those having completed reassessments of all real property values, have landowners enrolled in the program.

Forestland values depend on many factors including forest type and species composition; stand age and site quality; current timber markets and past harvest practices; and management costs and non-timber uses. Forested properties currently enrolled in Clean and Green pay between one dollar and five dollars per acre per year. This is in addition to state and federal income taxes that are levied on the income that may be earned from timber harvesting and can represent a financial burden for landowners. In many cases this causes landowners to harvest timber or sell parcels of land to pay for property taxes.

When the payment of property taxes becomes the primary reason for land owners to harvest timber and sell tracts of land enrolled in a program designed to conserve open space and provide tax relief, the merits of the program are called into question. Landowners believe that the assessed values of forestlands are still too high to allow a reasonable rate of return on a long-term forest investment, largely due to the time period needed to grow forest products. Typically, sustainable yields from forestlands do not provide annual returns sufficient to offset the annual tax burden. When a tax of one dollar per year is compounded at 6 percent for 80 years (rotation time between harvests), it takes \$1,747 per acre in the final harvest revenue to offset this cost. If the interest rate was just two percent higher, the rate per acre rises to more than \$5,800 per acre. The compounded cost of the property tax is greater than the revenue generated from the sale of timber.

A recent McKean County Court of Common Pleas decision affecting forest reserve status on property enrolled in the Clean and Green program has caused

some concern among landowners enrolled in the program. The decision concluded that recreational leasing of forestland to generate nontimber revenue is not a qualifying use under the forest reserve category. Land enrolled under the Act is taxed at the value which such land has for its particular use category and the only land use which qualifies for forest reserve status, as expressed by the legislature, is for producing timber or other wood products. While the recreational leasing program has not changed the land's ability to produce timber or wood products, the additional, non-development use is not expressly recognized in the statute.

Another concern about the Clean and Green program is a provision that allows a farmstead (land under a house) to be assessed at Clean and Green rates and count toward the 10 acre minimum. This provision may actually encourage developers to subdivide larger properties into "mini-estates" of 10 acres that meet Clean and Green requirements, but fragment open space that the program was designed to protect. Also, penalties for withdrawing from the program are not high enough to discourage landowners from enrolling in the program until a profitable development option occurs. These concerns raise the question, "Is this the kind of rural land conservation that was initially contemplated by the statute?" Clean and Green does have an impact on open space conservation but attention is needed to certain aspects of the program. Therefore, the following recommendations need to be considered.

RECOMMENDATIONS

Additional Tax-based, Research and Education Initiatives:

Yield Tax. The option of creating a yield tax has been discussed as an alternative to the current tax system and should be fully explored. Instead of paying annual taxes, the landowner would pay a yield tax at the time of harvest. This has some advantages. First, it allows the landowner to pay the tax when the income has been earned from the property. Second, it ensures that the taxes paid are proportionate with the income earned. However, there are some drawbacks to a yield tax. Determining taxable timber values and collecting the taxes can be difficult, and the taxes generated through a yield tax vary in comparison to property taxes. Also, many landowners may decide not to harvest timber in order to avoid paying the tax.

Authorize additional, non-development use. Create a provision in Clean and Green that allows leasing agreements that do not change the non-developed use of the land and where the proceeds from the lease agreements are devoted to offsetting costs of management of the land and associated tax payments.

Property Access. Forest landowners enrolled in Clean and Green should be granted an option to provide public access to their property in exchange for a higher tax break under the Clean and Green program. Currently there is no provision under Act 319 to allow access to property in forest reserve.

Research. Because average assessments per acre are considered high in some areas of the state, Pennsylvania State University's School of Forest Resources should conduct additional research on properties that are affected by the overall management costs in rural areas to include a study of costs, productivity rates, and soils to determine productivity and assessment values.

Education and Outreach. More education and outreach is needed for the private landowner. Sources such as the County Conservation Districts, State Bureau of Forestry and the Pennsylvania State University's College of Agricultural Sciences, School of Forest Resources Extension should be used to expand the current education and outreach program to include coordination with other land use programs and policies such as farmland preservation, forest legacy, and conservation easements.

BEST MANAGEMENT PRACTICES IN RIPARIAN AREAS

In recent years, the focus of forest management has shifted from single species, single stand management to an emphasis on larger ecological communities - ecosystems, watersheds and landscapes. All these scales are important in the management of specific habitats, stands and species. Riparian areas can help incorporate larger landscape concerns into forest management planning and activities. Riparian areas and their associated water courses often provide landowners with a unique opportunity to work on mutual management objectives.

One of the most common Best Management Practices for forest landowners is the maintenance of riparian areas or streamside management zones (SMZ). SMZ's are forested buffer areas that form vegetative strips in the riparian zones adjacent to streams. The idea is that the vegetative growth within the SMZ's provides canopy cover, ground cover and intact root systems that protect against sediment disturbance and erosion by water runoff along stream banks. In addition, larger trees that form a canopy provide shade that reduces light penetration and prevents increases in water temperatures that alter aquatic communities.

It is known that active management of buffer vegetation using silvicultural practices offers some important advantages. Since SMZ's are usually highly productive land, management allows for some periodic harvest of timber with associated regeneration while still maintaining water quality. Active management of riparian areas can strengthen the ability of the areas to perform their functions. Appropriate spacing of trees including thinning and pruning encourages canopy development that allows for optimal shade and production of leaf and needle litter. Because SMZ's are often considered the "last line of defense" in the protection of water quality, they usually become a permanent fixture of the land. SMZ's are not

removed from production, they merely represent areas where disturbance is minimized.

The Task Force heard from three presenters. Mr. Jeff Kochel, forestland manager for Forest Investment Associates, Inc., an industrial forest landowner, demonstrated how riparian area management is effectively accomplished through timber management in these areas that both produces timber yield and protection of water and ecological qualities. Similarly, Mr. Rob Piper of the Cambria County Conservation District explained how management of buffers may be accomplished in compliance with water quality protection mandates and how the conservation districts are educating landowners and contractors about the benefits of creating and conserving forested riparian areas. Dr. Jim Finley, Associate Professor of Forest Resources, Penn State University, shared the results of a University study conducted to examine the issues and concerns landowners have regarding riparian areas. More than 800 streamside landowners including farmers, forest landowners and urban dwellers were surveyed to learn their motivations, interests and issues relating to establishing or maintaining SMZ's.

According to the survey, landowners want to learn more about how to manage SMZ's and protect water quality. Originally, SMZ's were not part of an overall forest management plan and often, forest landowners failed to understand the contribution riparian areas made to water quality. Site specific, targeted information is most useful to help landowners learn about the importance of streamside buffers. Survey results suggested that making landowners aware of the importance of riparian areas may have dramatic effects, and encouraging them to develop management plans might prove to be effective. Local examples that address specific concerns of nearby landowners are more meaningful and more likely to result in buffer protection.

The survey also found that landowners were concerned about streamside aesthetics and had a willingness to create and manage streamside forests. Generally, landowners had a high interest in obtaining information and assistance in managing these areas.

RECOMMENDATION

Develop an effective educational program that stresses the need for riparian forests with emphasis on establishing demonstration sites throughout the Commonwealth to be used by private landowners for observation and study.

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE RESOLUTION

No. 81

Session of
2001

INTRODUCED BY MADIGAN, WENGER, ERICKSON, LEMMOND, M. WHITE,
MUSTO, STACK, COSTA, CORMAN, WAUGH, TARTAGLIONE, ORIE,
SCHWARTZ, BOSCOLA, LOGAN, ROBBINS, EARLL AND HOLL,
JUNE 4, 2001

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, JUNE 4, 2001

A CONCURRENT RESOLUTION

1 Establishing a task force to study issues concerning the renewal
2 and management of this Commonwealth's forests; providing for
3 an advisory committee; and directing the Joint Legislative
4 Air and Water Pollution Control and Conservation Committee to
5 provide administrative support to the task force.

6 WHEREAS, Seventeen million acres in Pennsylvania are forest
7 land; and

8 WHEREAS, Forests provide numerous economic, recreational and
9 environmental resources; and

10 WHEREAS, The forest products industry is the fourth largest
11 manufacturing industry in Pennsylvania; and

12 WHEREAS, Sustainable forestry is providing new management
13 strategies for our forest resources and improving the health,
14 quality and diversity of Pennsylvania's forests; and

15 WHEREAS, The new policies and legislation developed will
16 determine the future of forests in this Commonwealth; and

17 WHEREAS, The forestry task force previously established by
18 House Resolution No. 263, Printer's No. 4110 (1994), Senate

1 Resolution No. 29, Printer's No. 720 (1997) and House Resolution
2 13, Printer's No. 2113 (1999) has been helpful to the General
3 Assembly and instrumental in addressing issues facing the
4 forestry community; therefore be it

5 RESOLVED (the House of Representatives concurring), That the
6 General Assembly establish a forestry task force to be comprised
7 of two members of the Senate, one appointed by the President pro
8 tempore of the Senate and one appointed by the leader of the
9 minority party, two members of the House of Representatives, one
10 appointed by the Speaker of the House of Representatives and one
11 appointed by the leader of the minority party, and the members
12 of the forestry task force shall choose a chairman from their
13 number; and be it further

14 RESOLVED, That the forestry task force conduct a
15 comprehensive study of and investigate the following:

16 (1) the cumulative impact of Federal and State policies
17 and programs on the future of the timber and forest products
18 industry;

19 (2) forest management practices in State parks;

20 (3) the forestry industry's use of best management
21 practices and its record of working in riparian areas; and

22 (4) tax policies and valuations of forest lands in this
23 Commonwealth;

24 and be it further

25 RESOLVED, That the forestry task force may hold hearings,
26 take testimony and make its investigations at such places within
27 this Commonwealth as it deems necessary; and be it further

28 RESOLVED, That an advisory committee be created by the
29 forestry task force to assist in developing facts and
30 recommendations concerning the renewal and management of forests

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1 in this Commonwealth and that the advisory committee be composed
2 of representatives of the following entities:

3 (1) Department of Conservation and Natural Resources,
4 Bureau of Forestry;

5 (2) Department of Agriculture, Hardwoods Development
6 Council;

7 (3) Pennsylvania Game Commission;

8 (4) The Pennsylvania State University, School of Forest
9 Resources and Cooperative Extension Service; and

10 (5) United States Forest Service;

11 and be it further

12 RESOLVED, That the advisory committee have one representative
13 from each of five business organizations representing the forest
14 products industry, one representative from each of five
15 nonprofit conservation and environmental organizations and one
16 representative from up to three other organizations that the
17 forestry task force deems appropriate to be represented; and be
18 it further

19 RESOLVED, That the General Assembly direct the Joint
20 Legislative Air and Water Pollution Control and Conservation
21 Committee to provide sufficient staff and other administrative
22 support to the forestry task force; and be it further

23 RESOLVED, That the forestry task force prepare a report
24 containing its findings and recommendations, together with any
25 necessary legislation, and deliver it to the General Assembly as
26 soon as possible.

COMMONWEALTH OF PENNSYLVANIA

REPLY TO:
HOUSE OF REPRESENTATIVES
HOUSE BOX 202254
HARRISBURG, PA 17120-2254



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ROOM 408
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REPRESENTATIVE SCOTT E. HUTCHINSON
CHAIRMAN

CRAIG D. BROOKS
EXECUTIVE DIRECTOR

Joint Legislative Air and Water Pollution Control
and Conservation Committee

April 15, 2002

Representative David Argall
Majority Chairman
House Appropriations Committee
Room 245, Main Capitol
Harrisburg, PA 17120

Dear Dave:

The legislative Forestry Task Force re-established by concurrent Senate Resolution 81 of 2001, strongly opposes any reduction in state funding for Penn State University's College of Agricultural Sciences, which includes the School of Forest Resources. Accordingly, the task force urges a \$5 million increase beyond that proposed in the governor's 2002-2003 budget.

Following a task force meeting with representatives of the school's Forest Science program, it is the task force's deep-seated belief that subjecting the college to the budget cuts that would inevitably result from the proposed five percent cut for Penn State University in the 2002-2003 state budget, would do serious harm to an effective and desperately needed educational program. College officials project that these cuts would cause deficits of \$5 million and would mean losses of up to 69 faculty members at the university (nearly 25 percent), or 95 to 99 individuals at the county level (cooperative extension programs), or 118 staff members, or some combination thereof. Attrition alone cannot produce sufficient vacancies to meet the necessary cost reductions, so layoffs would result and vacant positions would go unfilled. The task force cannot stand by and allow budget cuts to inflict educational and economic damage to a high priority program relating to the state's largest industry at the state's only land grant college.

Consider the economic implications. According to the College of Agricultural Sciences' Strategic Plan for 2002-2005, Pennsylvania forests, which cover more than half of the Commonwealth's land, provide 90,000 jobs – many in rural communities where they are most needed. Forests support \$4.5 billion in wood products manufacturing and \$3 billion in outdoor recreation. Penn State's programs are geared toward and have made it a priority to provide the research, educational and extension programs to create even more jobs and increase Pennsylvania's share of the world's forest-based industry markets. This cannot be achieved with diminished funding.

Consider the environmental and community implications. Forests are among Pennsylvania's most valuable resources, with Pennsylvania hardwoods recognized for their quality worldwide. Penn State's School of Forest Resources plays a major role in enhanc-

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ing that resource. For example, the university provides services to private landowners to assist in forest management and is developing practical solutions for improved forest health and regeneration. Among the priorities in the college's strategic plan is improving forest management and use of wood products. These cannot be achieved with diminished funding.

In addition, the College of Agricultural Sciences ranked first in all the academic colleges at the Penn State Main Campus in research expenditures with \$72.7 million. As the increasingly global agricultural industry faces new challenges such as invasive species, plum pox, Mad Cow, foot and mouth and other diseases, and pressure from unrestrained growth and unplanned development, now is not the time to hobble research efforts. The proposed budget cuts would not only harm forest-related research programs, but others related to dairy, the food and fiber sector, watershed management (in the midst of a serious drought), the 4-H program – celebrating its centennial year – and the cooperative extension program.

The college has taken it upon itself to be responsible, having already begun its own streamlining process, refining its focus in the formulation of Strategic Plan priorities and reducing its budget last year in anticipation of tighter fiscal limits. The "reward" for such frugality and preparation, is a rescission of funding of \$10 million in the university budget appropriation this year and the proposed five percent cut next year. The proposed cuts, the largest decrease in funding in the college's modern history, would take the university back to staffing levels and program support that existed in the early 1990's. That is akin to clear-cutting the forest and plowing under the crop.

In addressing the implication of the budget cuts, University President Graham Spanier told the Senate Appropriations Committee, "Moreover, the impact of the cuts to our agricultural research and cooperative extension programs will be profound, since no tuition income is available to offset the loss of state appropriation dollars in our line-item budgets." The Forestry Task Force agrees, restates its vehement opposition to cuts in the college budget, and urges reinstatement of funding as noted earlier.

Sincerely,

Sincerely,


Roger A. Madigan
Forestry Task Force Chairman


Representative Gary Haluska
Forestry Task Force Member


Senator Raphael J. Musto
Forestry Task Force Member


Representative Jim Lynch
Forestry Task Force Member