Date of Report: October 31, 2000Date of Next Status Report: FinalDate of Work-program Approval: June, 1997, Work began July, 1997Project Completion Date:June 30, 2000 (extension granted in 1999)

LCMR Work Program 1997 Update

I. PROJECT TITLE: SUSTAINABLE WOODLANDS ON PRIVATE LANDS

Program Manager:	Terry Weber, Executive Director
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Total Biennial Project Budget:

\$ LCMR Current	Allotted	Encumbered	Expended	Balance
report \$ Last	875,000.00	0.00	858,524.82	16,475.18
report \$	875,000.00	180,625.16	690,656.03	3,718.81

A. Legal Citation: ML 1997, [Chap.216], Sec. [15], Subd. 17. Sustainable Woodlands on Private Lands.

Appropriation Language:

This appropriation is from the future resources fund to the Commissioner of Natural Resources, in cooperation with the Minnesota Forestry Association, to develop stewardship plans for private landowners and implement natural resources projects by providing matching money to private landowners.

Extension granted under ML 1999, Chap.231, Sec. 16, Subd. 25:

Carryforward (a) The availability of the appropriations for the following projects is extended to June 30, 2000: Laws 1997, chapter 216, section 15, subdivision 17, paragraph (a) sustainable woodlands on private lands;

B. Status of Match Requirement:

Private consultant and local gov. matching (cash) Conservation groups and other private donations (cash) (See attachment 1)	Required: \$ 75,000	Raised: \$ 64,171 \$ 37,428
Landowner share of 50-50 cost share: (Includes committed funds)	\$ 390,000	\$ 396,938
Total of Matched Funds	\$ 465,000	\$ 498,537

II. PROJECT SUMMARY AND RESULTS:

Result A. LANDOWNER MOTIVATION THROUGH STEWARDSHIP PLANS USING CONTRACTED PLANNING ASSISTANCE (\$485,000)

Prepare Woodland Stewardship plans for 2,000 landowners covering 200,000 acres of forests, wetlands, brushlands, and prairies.

Matches with Result A will occur as the contracts are let to private sector and non-profit organizations to write the Forest Stewardship plans for the landowners. None of these matches can be committed before the project begins as the LCMR funds will be bid out and the winning bid cannot be predicted.

Result B. CONVERTING PLANS INTO ACTION BY PROVIDING COST-SHARE TO IMPLEMENT PLANS (\$390,000)

Implement a wide variety of approved projects on private land using 50-50 cost share incentive funds.

Matches from Result B are with landowners implementing projects. Due to the inherent nature of the matches with landowners, many of the matches will occur over the entire time period of the project. All matches will be committed before any LCMR funds are expended.

III. PROGRESS SUMMARY:

October 31, 2000 -

This project is completed. There is a remaining balance because some practices were actually less expensive than they were encumbered for and unpaid amount goes into the balance. Else it has been successfully completed and all encumbrances have been paid. Over 98% of the allocated funds were used, all of it going to on-the-ground practices and personalized Forest Stewardship plans.

Some examples of the activities completed include the planting of nearly 1.8 million seedlings as a direct result of this funding. Much of that planting was also designed for habitat improvement. LCMR staff has an electronic database outlining all of the accomplishments.

Landowners, consulting foresters and the DNR-Division of Forestry are very happy with the results to date. The MN Forestry Association is naturally also pleased with the progress and outcomes. We appreciate the support of the LCMR members and staff to achieve this worthy and cost-effective project.

April 1, 2000

This project is winding to a close. Essentially all of the funds have been encumbered and much has been paid out. All will be used by the June 30 deadline. The majority of the funds left to be expended are for tree planting that will be finished this spring.

The combined results of the LCMR 97 and LCMR 99 funding are terrific. (See attachment 3 for details.) For a few examples, 3,850,000 seedlings have been scheduled for planting as a direct result of this funding, much of it in conjunction with habitat improvement goals. 221 acres of white pine have been protected from deer browse and 364 nest boxes will have been erected.

Forest Stewardship plans have been prepared for an estimated 1,050 land owners using contracts with private consultants funded by LCMR.

Landowners, consulting foresters and the DNR supervisors are very happy with the results to date. The MN Forestry Association is naturally also pleased with the progress and outcomes.

June 2, 1999

The legislature extended this project to allow the cost-shares to be used in the year 2000 planting season. A project continuation was also approved as described in another work plan. As can be seen, virtually all of the funds have been encumbered and the majority have been spent. All funds will be used by project end. A copy of the database (in Access) with all of the specific Result B information and a variety of reports has been provided to the LCMR staff to allow for more complete review of the accomplishments.

It should also be noted that we reallocated an \$10,832.22 from Result B to Result A to meet the local needs.

The success of this project has lead to the US Forest Service recommending similar methods to 19 other Northeastern and Midwest states.

January 7, 1999

A final round of contracts (Part A) with plan preparers was let in summer of 1998. Nearly all of the funds intended for non-DNR professionals have been encumbered or already paid out. The price per acre is creeping up. This increase can be attributed to higher standards now required for plans. For example, all plans must now involve a check of the Natural Heritage and Cultural Heritage databases for known elements. Most of the full-time consultants already have contracts and the competition for bids is less stiff. To counter that, a training session was held October 15 to encourage more consultants and others to get into the landowner forestry assistance business. Over 70 professionals attended the training. Currently over 30 different consulting firms and other providers have contracts to prepare forest stewardship plans.

At one point in late fall, all of the funds designated for cost-sharing (Part B) had been encumbered or spent. Currently, about \$18,000 is again available as projects are paid off and not all of the encumbered funds are expended. A complete report of the spending by county and by practice is available.

The LCMR staff has agreed with our request to extend the proposal by one year. This will allow all the landowners to complete their projects in an orderly fashion. Forestry practices such as tree planting often require one summer season for site preparation before planting the following spring. Funds which begin on July 1 often are not able to be encumbered and used before the first summer season is gone. We appreciate the flexibility of the staff and LCMR to adjust to this need.

April 14, 1998

Another round of Requests for Proposals were sent to forestry and wildlife consultants, environmental organizations, Soil and Water Conservation Districts and other potential plan preparers. Proposals totaling \$414,086 were received. The Forest Stewardship Committee has prioritized proposals that will encumber most of the remaining LCMR funds for plan preparation. Contracts totaling \$365,000 for plan preparation have been let already. The average bid was higher than expected at about \$3.10 per acre. About 120,000 acres of plans have been contracted to date.

8 new consultants applied in this latest round, indicating the increased private sector participation. One of the new contractors funded was a small company called Prairie Land Management who will be working with farmers on their forests and prairies in west central MN.

The cost-share aspect of the program is also going very well. \$320,012 of the allocated \$390,000 for this activity are encumbered. A complete report of the spending by county

and by practice is available.

December 12, 1997:

Contracts with private consultants totaling about \$175,000 were let between July and November 1997. (see attachment 2 for locations) Some of the contracts had in-kind and cash matching funds totaling \$25,998. A second round of requests for proposals went out in November and are due back in early January 1998. Each of these contracts will provide Forest Stewardship plans and plan implementation technical advice.

In late August, field foresters and partners were notified of the ability to seek private sector matching funds for Result B. As an incentive, the first \$100 of matching funds in any county was matched with \$2,000 of LCMR funds. Only 6 weeks were provided for the matching period in order to assure that the LCMR cost-shares reached the landowners as soon as possible. As a result \$35,528 was raised in matches. Almost \$10,000 of that was raised in Goodhue and Wabasha counties alone by an motivated forester. This indicates that if more time had been allotted or if foresters had pursued the matches with more effort, more funds could have been raised.

All of the cost-share funds were made available to landowners on October 20, 1997. Media releases and personal contacts from the foresters were initiated to inform the landowners of the funding.

The DNR-Division of Forestry ended up as the bookkeeper for all of the funds. (No charge to LCMR) Both the federal Farm Service Agency and state Board of Water and Soil Resources (BWSR) were contacted to handle the cost-share funds. A new form one-page is being used and is seen as very functional by landowners and foresters. The additional bookkeeping has not been a problem. This is a fairly flexible, low bureaucracy situation. The benefits are lower cost and higher speed. A downside could appear if the limited rules and bureaucracy is challenged by someone as being unfair. We are doing our best to keep the program fair, yet flexible and feel confident there will not be a problem.

June 12, 1997:

Result A - 30 contracts have been drafted with private sector forest consultants for a total of \$138,677. Contracts will begin in FY98 pending work program approval. Contracts range in size from \$2,300 to \$16,000. Though not required, cash and in-kind matching funds totaling \$92,688 were offered by the contractors to increase the cost-effectiveness of these 30 contracts.

Result B - An agreement has been drafted and sent to United States Department of Agriculture (USDA) Farm Service Agency to arrange for the distribution of the cost-share funds. (A draft of the agreement is attached.) A brochure which outlines the matching opportunities for private sector organizations is well underway. LCMR staff have the opportunity to review and comment.

November 11, 1996:

Practice specifications (sample is attached) are being prepared and will be included with the next work-program update. The Attorney General office is working on brief contract forms. A news release describing the potential opportunity is being prepared. The Web-Site for applying for Forest Stewardship as described in Section V has been established at [http://willow.ncfes.umn.edu/woodstew/wdstew.htm].

September 20, 1996

The State Forest Stewardship Committee has assigned a sub-committee to oversee project details. Have begun informal contacts with potential matching organizations. Have met with BWSR and secured support for DNR administering the program. The potential complexity of administering the matching funds for Result B are the reason BWSR would prefer that DNR administer the program.

IV. OUTLINE OF PROJECT RESULTS:

Result A. LANDOWNER MOTIVATION THROUGH STEWARDSHIP PLANS USING CONTRACTED PLANNING ASSISTANCE (originally \$485,000)

Accelerate care, respect, and use of privately owned (non-industrial) forests, wetlands, brushlands, and prairies by educating and motivating landowners. Use approved, private-sector professionals to develop sustainable, ecosystem-based Woodland Stewardship plans around landowner goals and land capability. Offer alternatives to meet both landowner and landscape objectives. Stress the use of Best Management Practices.

This plan writing workload will create the need for 6.5 additional private sector natural resource professional advisors. Advisors will competitively bid their services in blocks of several thousand acres. Use forestry consultants, biologists, forest industries, non-profit conservation groups, and local government units such as Soil and Water Conservation Districts to provide the plans.

The goal is to prepare Woodland Stewardship plans for approximately 2,000 landowners covering approximately 200,000 acres of forests, wetlands, brushlands, and prairies. Actual amount will be dependent on the bids of the plan providers. Plan providers may also bid to provide project plans associated with plan implementation. Project plans provide the detailed information while Forest Stewardship plans provide general, conceptual information and options for landowners.

The Minnesota Forest Stewardship Committee and the DNR will oversee professional standards and training. The Minnesota Forestry Association has requested assistance from the Forest Stewardship Committee for soliciting and selecting successful bidders. (MFA is a member of that committee.)

\$ LCMR Current	Allotted	Encumbered	Expended	Balance
report \$ Last	461,586.41	0.00	461.586.41	0.00
report: \$	494,704.16	73,827.01	420,877.15	0.00

Result B. CONVERTING PLANS INTO ACTION BY PROVIDING COST-SHARE TO IMPLEMENT PLANS (originally \$390,000)

Cost-share projects for landowners with Forest Stewardship plans. (See Attachment 3 for details.)

CATEGORY	PROJECTED INCREASE
Wildlife habitat:	3,100 acres
Reforestation, general:	1,000 acres
White Pine Refores	t: 500acres
Hardwood Reforest	350 acres
Riparian Reforest:	120 acres
Fish Habitat:	460 acres
Soil/Water Protection:	1,150 acres
Forest Improvement:	1,800 acres
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(Actual category figures could vary based on priorities of partner matching funds)

Landowners with Woodland Stewardship plans may apply. Requiring a 50% landowner match assures 50% leverage on cost-sharing. Minnesota Forestry Association has requested the Forest Stewardship Committee and the DNR-Division of Forestry establish cost share rates and standards.

Cost-sharing will be coordinated with existing federal and state programs to ensure costeffectiveness. Historical federal and state program specifications and the desire to avoid competition between program will be considerations in establishing the rates and priorities. The Forest Stewardship Committee will also specify the categories of practices which will be priorities for cost-share funds.

LCMR's portion of the cost-share funding could be even less than 50%. The project manager will offer private sector (non-profit and for-profit) organizations a chance to increase the LCMR fund pool before landowners apply to match it. For the amount they agree to multiply, these organizations may specify the county (or counties) and practice (or practices) where their funds and the matched funds will be targeted.

Landowners will be solicited by a variety of means. General media releases along with personal contacts for landowners with plans will be common methods. Selection will be first-come-first serve for landowners with projects in priority categories. In the event of any disputes over funding, the local Soil and Water Conservation Districts will be asked to provide non-binding opinions to the DNR-Division of Forestry Director who shall make the ruling. A final appeal may be made to the Board of the MFA.

Funding distribution to local landowners is through the DNR-Division of Forestry.

Stewardship Plan preparers will stay in contact with the landowners. Practice specific project plans will be prepared whenever cost-sharing is authorized. DNR-Forestry will assure that the practice is needed before payment is authorized and that it is satisfactorily completed before payment is made. Non-DNR plan preparers are expected to assist completing project plans and working with landowners. A portion of the funds for result A may be used by the private sector to prepare project plans related to result B.

The cost-share practices and methods will closely, but not exactly follow the Stewardship Incentive Program (SIP) procedures and processes. Note: The hardwood reforestation cost-share rate will be 65%.

\$ LCMR: Current	Allotted	Encumbered	Expended	Balance
report: \$ Last	413,413.59	0.00	396,938.41	16,475.18
report: \$	380,295.84	106,798.15	269,778.88	3,718.81

V. DISSEMINATION:

Each participating landowner will receive a personal Forest Stewardship plan for their property based on their goals and the capacity of the land. Though not part of this project, a Web site that advertises the benefits of forest stewardship planning will be available to landowners. This will increase the number of possible participants.

An addition the DNR Web-site is scheduled for mid December, 97 to specifically advertise the availability of cost-share funds including the LCMR funds. This was completed in January 1998.

The Request for Proposals to prepare Forest Stewardship plans (Result A) was advertised in the State Register for 3 weeks in November, 1997 and again in 1998. It was also distributed to all known forest resource consultants.

VI. CONTEXT:

A. Significance:

Result A: Non-industrial private landowners own 40% of the forest land in Minnesota. A goal of many organizations including DNR-Forestry, the Forest Stewardship Committee, and the Minnesota Forestry Association is to assure that the landowners of 50% of the land (in parcels over 20 acres) are receiving professional assistance as demonstrated by a Forest Stewardship plan. This 50% goal covers 2,500,000 acres and is aggressively set to be achieved by 2005. Over 600,000 acres of Forest Stewardship plans have been prepared since 1991. The existing 80-100 thousand acre per year level will be also continued.

This LCMR proposal will provide 8% of the 2005 goal and double the current annual achievements.

Result B: Cost-share funding from historical federal sources has shrunk 80% in the last several years due to federal budget changes. The cost-share provided by this project will be a vital source of incentives to achieve desirable activities recommended in the plans.

B. Time: Project will be completed within 3 years of initiation.

C. Budget Context:

	Various Funding Sources July 95-June 97 r Expenditures	Ju	ly 97-June 99 oject Period	July 99-June 01 Future Expenditures
LCMR Other State Non State Match	\$ 56,000 \$ 822,775	\$ \$ \$	875,000 ^{***} 300,000 ^{****} 465,000 ^{****}	\$450,000 [#] \$0 ^{*****} \$200,000-1,500,000
In-kind Total	\$ 878,775	\$	1,340,000	\$650,000-1,500,000

* Cannon River project

** Mostly federal funding

*** \$485,000 for Result A; \$390,000 for Result B.

**** \$75,000 from plan preparer organizations in Result A; \$390,000 from landowners in Result B.

***** FY 99 only Appropriation from legislature

Proposed by MN Forestry Assn and The Nature Conservancy

TABLE 2 - How LCMR funds are allocated within the project

July 97-June 99 Project Period

Personnel - (Private sector contracts to prepare \$ 461,586.41 Forest Stewardship plans with no administrative costs charged to LCMR) Equipment Acquisition Development - (On-the-land activities \$ 413,413.59 no administrative costs charged to LCMR) Total \$ 875,000.00

VII. COOPERATION:

Gerald Rose -DNR-Division of Forestry field staff will provide day-to-day program assistance.

About 30 full-time-equivalents (FTEs) work on private land assistance. No cost to LCMR.

Thomas Kroll -DNR-Forestry; Forest Stewardship Committee Chair; Committee will screen funding applicants. Kroll will work 15% on this program. No cost to LCMR.

Larry Himanga - DNR-Forestry Incentives Programs specialist; 35% of his time of this program. No cost to LCMR.

MN Association of Consulting Foresters and other consulting foresters will bid to prepare plans. An estimated 6+ FTEs will be involved. \$485,000 of LCMR funds.

Jim Lemmerman - Board of Water and Soil Resources (BWSR) and D. DeZiel -Minnesota Association of (91) Soil and Water Conservation Districts agree to assist. The particular role involves information, technical assistance, and dispute resolution. No cost to LCMR unless working as a contractor under Result A.

Dave Shad -DNR-Section of Wildlife staff will be involved. No cost to LCMR.

VIII. LOCATION:

Statewide. Note: Landowners receive the subsection map included in their Woodland Stewardship plan along with a description of the significance of the owner's property in that subsection.

IX. REPORTING REQUIREMENTS:

Periodic work-program progress reports will be submitted not later than May 12, 1997. A

final work-program report and associated products will be submitted by June 30, 2000, or by the completion date as set in the appropriation.

X. RESEARCH PROJECTS:

Not applicable.

ATTACHMENTS:

- Attachment 1: Matching fund contributors for cost-share match (Result B) (Unchanged see previous reports.)
- Attachment 2: Map of counties where contracts to prepare Forest Stewardship plans (Result A) have been let. (Unchanged see previous status reports.)
- Attachment 3: Proposed and completed practices summary (Result B)

This accomplishment report is a compilation of the cost-shared projects competed on private land with this LCMR grant. A full electronic copy of the database has been provide to LCMR staff.

Note, this database of individual landowners and specific accomplishments is loaded after the statewide accounting system is loaded. Therefore numbers may differ slightly.

- Attachment 4: Sample form used to apply for cost-share (Result B) (Unchanged see previous status reports.)
- Attachment 5: Map 5a shows the number of Stewardship Plans by county which have been prepared using all fund sources. Map 5b shows the acres covered by those plans.

Both maps are based on registered plans only which is about 50-60% of the total plans which have been prepared since 1991. The overall total now is about 1,000,000 acres.

Attach ment 3

1997 Sustainable Woodlands Program Accomplishments

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Component	Extent / Units	Component Acres	Cost Shares Approved	Extent Completed	Cost Shares Earned
Aerial seed softwoods	126 / acres	126	\$2,642.00	132	\$1,730.36
Bud caps	339.5 / acres	176.5	\$3,106.50	305.25	\$2,581.38
Container Conifers	80 / units	1	\$220.00	80	\$220.00
Control comp chem/mec	h 124.2 / acres	132.2	\$4,425.75	119.2	\$3,576.83
Control comp mech.	60 / acres	60	\$1,235.00	60	\$1,058.42
Fencing	595 / rods	109	\$4,514.27	511	\$3,937.27
First year clipping	35.5 / acres	35.5	\$124.25	35.5	\$124.25
Hand Seed hardwoods	1 / acres	1	\$52.00	1	\$12.50
Introduced grasses	40 / acres	40	\$2,054.20	41.8	\$2,056.07
Native Grasses	51.75 / acres	51.75	\$5,175.00	50.75	\$4,716.09
Native Grasses - w/forbs	3 / acres	3	\$525.00	3	\$525.00
Nest Boxes	352 / units	218	\$4,550.00	350	\$4,310.00
Planting hardwoods	2577.38 / ht	681.2	\$70,350.17	2373.1	\$62,031.11
Planting shrubs	250.95 / ht	85.65	\$6,176.25	221.4	\$5,656.30
Planting softwoods	13224.45 / ht	2277.6	\$203,016.14	15650.8	\$172,754.70
Prescribed Burning	79 / acres	79	\$665.00	94	\$693.00
Prune hardwood - 13ft	111.5 / units	36.5	\$967.00	118.5	\$1,177.00
Prune hardwood - 9ft	5 / acres	5	\$250.00	5	\$125.00
Prune softwood - 17ft	4 / acres	4	\$180.00	4	\$180.00
Prune softwood - 9ft	23 / acres	23	\$640.00	23	\$640.00

(Sponsored by the Minnesota Forestry Association and the LCMR)

<u>ht</u> = hundred trees

Complete database sent to LCMR

1997 Sustainable Woodlands Program Accomplishments

Component	Extent / Units	Component Acres	Cost Shares Approved	Extent Completed	Cost Shares Earned
Release - chem mech.	343.7 / acres	343.7	\$14,422.50	351.9	\$12,782.50
Release - chemical	342.8 / acres	342.8	\$14,481.50	334.5	\$10,881.30
Release - chemical band/br	20.5 / acres	20.5	\$750.06	14.5	\$468.06
Release - chemical spot	12 / acres	12	\$510.00	12	\$552.10
Release - mechanical	48.5 / acres	48.5	\$2,303.00	48.5	\$2,207.43
Site Prep - chem - band/bro	8 / acres	8	\$322.00	. 8	\$405.00
Site Prep - chem - spot	28.5 / acres	28.5	\$1,911.00	28.5	\$1,908.00
Site Prep - chem./mech.	580.35 / acres	580.35	\$33,577.66	539.85	\$27,293.83
Site Prep - chemical	812.4 / acres	812.4	\$27,508.33	669.3	\$23,695.70
Site Prep - heavy mech.	147.9 / acres	147.9	\$9,121.00	134.8	\$8,612.25
Site Prep - light mech.	208.65 / acres	203.45	\$6,523.50	189.85	\$5,461.05
SPNR - chem. mech.	180.4 / acres	180.4	\$7,556.25	163.4	\$6,361.75
SPNR - chemical	22 / acres	22	\$880.00	22	\$880.00
SPNR - heavy mech.	9 / acres	9	\$693.00	9	\$261.00
Temporary Cover	42 / acres	42	\$760.00	22	\$619.89
Thinning hardwoods	339 / acres	339	\$16,485.00	331	\$16,117.50
Thinning softwoods	16 / acres	16	\$1,184.00	12	\$812.00
Trail establishment	6640 / feet	202	\$2,056.00	6640	\$1,926.00
Tree Mats / Mulch	2643.65 / units	21.75	\$2,468.45	2628.75	\$1,968.45
Tree Mats / Mulch - square	500 / units	500	\$500.00	525	\$462.00

(Sponsored by the Minnesota Forestry Association and the LCMR)

ht = hundred trees

Complete database sent to LCMR

1997 Sustainable Woodlands Program Accomplishments

Component	Extent / Units	Component Acres	Cost Shares Approved	Extent Completed	Cost Shares Earned
Tree Shelters	652.2 / units	9.2	\$1,350.00	430	\$686.75
Trees and Shrubs	7 / ht	1.5	\$101.50	- 5	\$92.50
Veg Mgmt chem/mech	69.5 / acres	69.5	\$3,089.00	67.2	\$2,860.83
Wetland Restoration	9 / acres	9	\$3,015.00	9	\$956.25
Wildlife open - chem/mech.	8.5 / acres	8.5	\$1,297.00	3.5	\$295.67
Wildlife open - mech.	4.4 / acres	4.4	\$585.20	6.7	\$891.20
Wildlife Water Facility	4 / units	41	\$1,340.00	4	\$1,254.56

(Sponsored by the Minnesota Forestry Association and the LCMR)

ht = hundred trees



