WDNR Tax Law Administration Efficiencies

Concepts for Discussion

Conceptual actions, policies, procedures, and products to more efficiently and consistently administer the Forest Tax Law Program based on observations in the 2012 Dovetail Report

Review and Comment Questionnaire Form Included

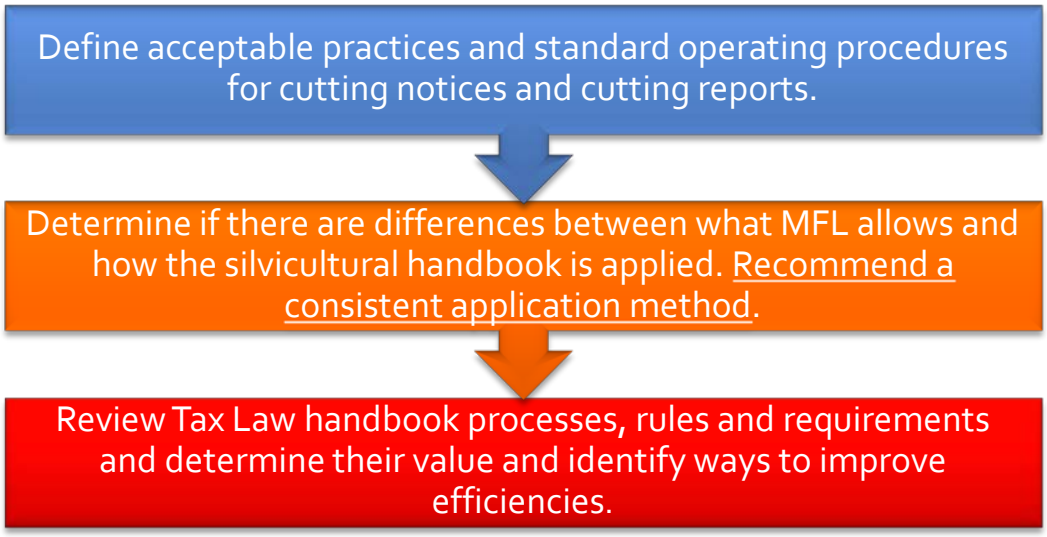
September 2013

Purpose and Scope

The purpose of this project is to identify potential actions, policies, procedures or products that can reduce the amount of time DNR spends administering Wisconsin's forest tax programs. Wisconsin's (Managed Forest Law (MFL) is considered a model around the country, largely because the program has systems in place to ensure implementation. However, these systems take a significant amount of time to administer. With the tax law program growing at a rate of about 3% per year, and with budgets having been either declining or flat for many years, the DNR has been cutting back on other functions to administer the growing tax laws. During the Division of Forestry's strategic direction process, a decision was made to reduce the investment in MFL administration in a manner that maintains program integrity and quality while shifting that investment to reaching unengaged forest landowners; those that do not now get professional assistance. This decision reflects that unengaged landowners fall into a niche DNR is well positioned to fill and the importance of those landowners to the economic and environmental benefits we depend on from our forests.

In June of 2013, DNR's Forest Leadership Team (FLT) commissioned an internal DNR Tax Law Efficency Team to identify areas within the tax law program that take the greatest amount of staff time and resources that were identified in the 2012 Dovetail report, and that are related to the administration and implementation of the MFL program. The team was further changed with identifying **specific actions, policies and procedures** to reduce the Department's adminstrative time and increase consistency and predictablity for program participants and partners. The team was also charged with identifying opportunities and incentives for increasing the service delivery capacity to private landowners.

More specifically FLT directed the team to address the following three task efficiency areas:



Results

Ideas and concepts have been generated for the purpose of stimulating dialoge for those affected including; landowners, cooperating foresters, loggers, forest products organizations, etc. The concepts have not formally been evelauted yet.

When reviewing the concepts outlined in this draft, please address the following questions:

1. WHICH OF THE CONCEPTS OUTLINED WILL REDUCE DNR ADMINISTRATION WHILE MAINTAINING PROGRAM INTEGRITY? *(PROGRAM INTEGRETY MAY BE DEFINED AS LAND IN THE PROGRAM IS BEING MANAGED CONSISTENTLY WITH THE INTENT OUTLINED IN STATUTE AND IS IN COMPLIANCE WITH STATUTE AND ADMINSTRATIVE RULE*)
2. WHICH OF THE CONCEPTS OUTLINED WILL ENHANCE PROGRAM CONSISTENCY AROUND THE STATE?
3. WHICH OF THE CONCEPTS OUTLINED PLACE UNREALISTIC EXPECTATIONS ON OTHERS INVOLVED IN THE IMPLEMENTATION OF THE MFL PROGRAM?
4. HOW MIGHT ONE OR MORE THE CONCEPTS OUTLINED BE MODIFIED TO IMPROVE THEIR ABILITY TO REDUCE ADMINISTRATION AND/OR INCREASE PROGRAM CONSISTENCY?
5. WHAT CONCEPTS ARE NOT INCLUDED THAT SHOULD BE EVALUATED TO REDUCE PROGRAM ADMINISTRATION AND/OR INCREASE PROGRAM CONSISTENCY?
6. WHAT ADDITIONAL FACTORS SHOULD BE CONSIDERED AS THIS WORK PROCEEDS?

For each conceptual action, policy, procedures or product you can provide feedback on "Implementation Impacts" using a Green, Yellow, Red scale to indicate your thoughts on impacts on efficiencies, consistency, complexity, time frame and partners. Generally "green" can be viewed as "good" e.g. high efficiency, increased consistency, easy to implement, and quick time frame, and minimal impact on partners (however the impact could be either positive or negative).

Comments can be submitted using an electronic web-based form found at

http://5.selectsurvey.net/DNR/TakeSurvey.aspx?SurveyID=p2514l8

Or

Submitted to Bob Dall via email or hard copy to

Bob Dall
robert.dall@wisconsin.gov

WDNR Forestry
107 Sutliff Avenue
Rhinelander WI, 54501
(715) 365-8993

Business Case and Targeted Efficiencies

Why the Cutting Notice?

The cutting notice and report is one of the **most significant decision points** the Department makes during the administration of the tax law program to ensure harvests are implemented and compliant with sound forestry, as defined for the MFL program, and to ensure harvest volumes are reported accurately for taxation purposes. The cutting notice approval is very similar to issuing a "permit" where the Department has the responsibility and authority to approve and enforce the provisions in the notice. As with any "regulated" tax incentive permit prgram, there are fiscal impacts to landowners which draw passion, interest and questioning of requirements and approval processes, with an expectation that the decision making process is transparent, consistent, predictable and done in a timely manner.

The Department currently spends significant time reviewing and approving cutting notice provisions, often requiring time intensive on-site field visits. The cutting notice is a significant area to find tax law efficiencies and consistencies without compromising sound forestry on tax law lands, while at the same time, increasing the portfolio of service delivery capacity to private landowners.

Cutting Notice approval is one of the most significant, and questioned, decision points the Department makes in administering the MFL program.

The Department invests approximately 12-20 FTE equivalent, 20-40% of all MFL tasks, to review and approve, on average, 2,500 tax law cutting notices and reports per year.

The cutting notice process has significant opportunities to increase efficiencies, provide consistent and predictable application of program administration, and maximize the service delivery to landowners using a portfolio of forestry professionals.

In 2013, there are 3,400 mandatory practices scheduled for evaluation on tax law lands, representing approximately 70,000 acres.

Approximately 180 cooperating foresters are registered in Wisconsin and are currently involved, on average statewide in approximately 40-70% of cutting notices in some form.

Summary of actions, policies, procedures, and products for Tax Law program administration efficiencies and consistencies

- RESOLUTION OF DIFFERENT DEFINITIONS BETWEEN TAX LAW STATUTES AND HANDBOOK GUIDANCE
- A CLEARLY DEFINED POLICY THAT DEFINES SOUND FORESTRY FOR MFL USING THE FOREST MANAGEMENT GUIDELINES (FMGS) AND SILVICULTURAL HANBOOK AS GENERALLY ACCPEABLE PRACTICES (GAPS)WITH A FLEXIBLE AND TRANSPARAENT PROCESS FOR REVIEWING AND APPROVING PRACTICES OUTSIDE OF GAPS
- A LIST OF KNOWN SILVILCULTURE VARIANCE REQUESTS TO DATE AND SHARE WITH SILVICULTURE TEAM (INTERNAL AND EXTERNAL)

- CONSOLIDATION OFALL STANDARD OPERATING PROCEDURES FOR ALL ELEMENTS OF CUTTING NOTICE REVIEW, APPROPVAL AND REPORTING – BRINGING HANDBOOK CHAOS TO ORDER
- AN ENHANCED AND EXPANDED CUTTING NOTICE APPLICATION WITH LIABILITY AND ACCOUNTABILITY MEASURES
- A NEW SIMPLE, WEB PAGE FOR CUTTING NOTICE GUIDANCE-EXTERNAL
- OPPORTUNITIES FOR A CENTRALIZED CUTTING NOTICE APPLICATION INTAKE PROCESS AND INCENTIVES FOR COOPERATING FORESTERS
- CRITERIA TO DETERMINE WHEN A FIELD REVIEW OF CUTTING NOTICES SHOULD BE CONDUCTED
- OPERATIONLIZE A CONSISTENT "PLOT CHECK" MARKING EVALUATION TOOL FOR COMPLIANCE AND REVIEW CHECKS

- ACCOUNTABILITY MEASURES FOR COOPERATING FORESTERS FOR CUTTING NOTICE ELEMENTS LINKED WITH COOPERTOR EVALUTION
- AUDIT SYSTEM TO DETERMINE COMPLIANCE WITH CUTTING NOTICE
- EXPEDITE WISFIRS FOR ON-LINE SUBMITTAL AND REVIEW OF CUTTING NOTICES (INCENTIVE FOR COOPERATING FORESTERS)
- STREAMLINED PROCESS TO CHANGE AND COMMUNICATE SOP CHANGES EFFICIENTLY

Reinventing the cutting notice with a renewed and focused name

Tax Law Timber Sale Notice and Harvest Report

The term "cutting notice" may be common knowledge and well understood to Department staff and those close to the tax law program, but it may not resonate with landowners or accurately represent the action.

Therefore, renaming the "cutting notice and report" is a simple way to define, in common terms, the purpose of the harvest approval and reporting.

The "Cutting Notice and Report" may be more understandable and relevant if called

"Tax Law Timber Sale Notice and Harvest Report "

Resolution of different definitions between tax law statutes and Silvicultural handbook guidance

Product: Clear Definition Of Sound Forestry From Wisconsin Statutes And Administrative Code As It Is Applied To The MFL Program

Creation of the FCL in 1927 necessitated a constitutional amendment. Levy of taxes and expenditure of government's money must be for public purpose only. Where there is no public purpose, there is no power to tax or to withhold taxation. The public purpose was codified in Wis. Stats. s. 77.01

> **It is the intent of this chapter to encourage a policy of protecting from destructive or premature cutting the forest growth in this state**, and of reproducing and growing for the **future adequate crops through sound forestry practices** of forest products on lands not more useful for other purposes, **so that such lands shall continue to furnish recurring forest crops for commercial use** with **public hunting and fishing as extra public benefits**, all in a manner which **shall not hamper the towns in which such lands lie from receiving their just tax revenue from such lands**." (emphasis added)

The Department has a trust responsibility under constitutional and statutory direction, to ensure that sufficient public benefits through the practice of sound forestry takes place on the lands enrolled within the MFL program. In executing that responsibility, particular care must be given to protect these public benefits and the resource as a whole.

The purpose of the MFL was to expand the definition of "sound forestry" to include public benefits such as wildlife habitat, stable watersheds, scenery and recreational opportunities, all of which were identified, in addition to the forest products, as contributing significantly to the economy and to the quality of life in this state.

Wis. Stats. s. 77.80, the MFL purpose statement, states that;

> [t]he purpose of this subchapter is to encourage the management of private forest lands for the production of future forest crops for commercial use through sound forestry practices, recognizing the objectives of individual property owners, compatible recreational uses, watershed protection, development of wildlife habitat and accessibility of private property to the public for recreational purposes.

In the definition, it is clear that the overarching intent of the statute is to produce "future forest crops for commercial use through sound forestry practices." The Department of Natural Resources, being the agency charged with implementing this statutory purpose, must recognize "the objectives of individual property owners, compatible recreational uses, watershed protection, development of wildlife habitat and accessibility of private property to the public for recreational purposes."

The legislature charged the Department with balancing these other considerations.

The purpose does not subordinate these other factors underneath "the objectives of individual property owners," but instead places them on the same level of consideration that the Department must recognize. Wis. Admin. Code NR 46.15(29) indicates that "sound forestry practices";

means timber cutting, transporting and forest cultural methods recommended or approved by the department for the effective propagation and improvement of the various timber types common to Wisconsin. 'Sound forestry practices' also may include, where consistent with landowner objectives and approved by the department, the management of forest resources other than trees including wildlife habitat, watersheds, aesthetics and endangered and threatened plant and animal species.

The Department has consistently interpreted the definition of "sound forestry" to include all of the balancing factors in Wis. Stats. s. 77.80, 77.01 and Wis. Admin Code NR 46.15(29). The Department has defined "sound forestry" using the Generally Accepted Practices (GAPs) listed within the DNR Silviculture Handbook and the Forest Management Guidelines (FMGs) as the defendable, legal definition. The Department would be able to increase consistency and ultimately efficiencies by being clear that the definition of sound forestry includes the GAPs within the DNR Silviculture Handbook and the FMGs. DNR staff and external partners will have a clear understanding and interpretation of the definition of "sound forestry". If new Standard Operating Procedures (SOPs) related to cutting notice review and approval are implemented, having a sound definition to work from when applying silvicultural prescriptions will reduce the amount of time not only in DNR review of cutting notices, but also in management plan review. Adequate training and rollout of the definition as it fits with in the SOPs will be needed along with reaffirming the department standards of the FMGs and the Silvicultural Handbook.

Specific Action: Reaffirm the definition of sound forestry, for the purposes of administering the tax law programs, to be the GAPs within the DNR Silviculture Handbook and FMGs. Use the procedures (SOPs) for addressing requests to implement practices outside of sound forestry.

Provide Feedback on Implementation Impacts using the web survey tool referenced on feedback form

Implementation Impact Assessment

EFFICIENCY SCALE

CONSISTENCY SCALE

IMPLEMENTATION COMPLEXITY

IMPLEMENTATION TIME FRAME

IMPACT ON PARTNERS

A Clearly Defined Policy That Defines Sound Forestry for MFL Using the DNR Silvicultural Handbook and the Wisconsin Forest Management Guidelines (FMGs) as Generally Acceptable Practices (GAPs)

Product: Clear Policy For Acceptable Practices On MFL Lands Including Mechanism for a Flexibility And Transparent Process For Reviewing And Approving Silvicultural Practices Outside Of GAP's.

DNR Foresters have the authority and responsibility to approve cutting notices for the removal of timber on tax law lands. Timber harvests on tax law lands, as defined by statute must be compliant with "sound forestry" (s. 77.86(1)(c), Wis. Stats.). The Department has defined "sound forestry" using the Generally Accepted Practices (GAPs) within the DNR Silviculture Handbook and FMGs as the defendable, legal definition; however, the Department has the authority to approve forestry practices outside of the FMG and Silviculture Handbook based on unique conditions.

It is the landowner's responsibility, as well as the agent they may hire, to understand the cutting notice requirements and the definition of "sound forestry" for tax law purposes. The FMGs and Silviculture Handbook define acceptable ecological tools, cover types, aesthetics, cover type silvics and silviculture and silvicultural methods such as natural regeneration, artificial regeneration, intermediate treatments and marking guidelines. The cutting notice must provide adequate information for the Department to review and approve the cutting notice. If the cutting notice describes the harvest in adequate detail to determine if the harvest is compliant with the GAPs within the FMG and Silviculture Handbook, the department will approve the cutting notice. Once approved, the landowner is responsible for conforming to the requirements and conditions as described on the notice.

If the cutting notice request is outside the GAPs, the Department can still review and approve the harvest, after taking site level circumstances and other risk factors. The Department will review cutting notices that are knowingly outside of the GAPs *when* the notice includes documentation as to why the request is outside of the currently accepted definition of "sound forestry". An example is a forest health issue that may require a harvest outside of the GAPs found in the FMG and Silviculture Handbook.

Specific Action: It is recommended that the SOPs for cutting notices be adopted as policy based on the definition of "sound forestry" and how it applies to the use of FMGs and the Silviculture Handbook (GAPs) in implementing the MFL Program.

Efficiencies: DNR staff and external partners will both save time because of a clear SOP that defines the who and the what of a cutting notice that is submitted outside of a GAP. The relationships at the field level will also be improved since there will be less conflict and stress when dealing with GAPs when a clear policy of handling those situations occur.

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Identify and Share a List Of Known Silviculture Variance Requests To Date With Silviculture Team (Internal And External)

Product: Standard Operating Procedure for handling silvicultural prescriptions that are outside GAPs as defined by FMGs and the Silvicultural Handbook.

Currently there is inconsistency in the interpretation and/or application of the FMGs and Silviculture Handbook when handling requests that fall outside Generally Accepted Practices (GAPs).

Approximately 5% of cutting notices received for approval contain prescriptions outside the parameters outlined in the Silviculture Handbook. While 5% may seem of minor significance, it occurs on a regular basis with landowners seeking more flexibility to be able to manage according to their objectives of timber production, timing and capture of market upswings, and frequently monetization of individual species, products, stands, or units of land. In some cases, the requests are outside the recommended guidelines in the Silviculture handbook. The process to review these cutting notices involves negotiations with the landowner in hopes of bringing both interests together.

There are costs in terms of administrative inefficiencies to the process requiring staff to go back and forth revisiting issues on an ongoing and reoccurring basis. Furthermore, there are additional costs to working relationships that result from constant tension between department field staff and landowners.

Disagreement over the appropriate rotation age is one of the most common points of conflict. The most recent chapters in the Silviculture Handbook attempt to provide guidance on a range of rotation ages, from an economic objective (typically defined as peak of mean annual increment) to extended rotations that meet a variety of objectives. Earlier rotations are suggested when forest health concerns dictate, but these decisions must be based on site specific conditions.

Most requests for allowances outside the Silviculture Handbook include:

1. Early rotation age of aspen, red pine, spruce, white pine, jack pine, red oak, red maple, and northern hardwoods.
2. Diameters limit cuts of both hardwood and pine types.
3. Selection of specific products or species from stands (i.e. select utility poles from a red pine stand; removing all ash; removing all basswood, etc.)
4. Marking practices not following the standard order of removal, primarily in hardwood stands, but also in other cover types.
5. Improper uneven-aged marking practices in NH, especially in regards to conversion techniques (i.e., even to uneven-aged) and poor gap establishment.
6. Management prescriptions based on operational issues and/or economic returns.
7. Regeneration issues: - Following NR 46 density minimums as opposed to Silviculture Handbook stocking recommendations for individual cover types, especially in cases where deer impacts require greater stocking levels and sizes. For example, the minimum medium density requirement for MFL is 800 seedlings per acre in natural stands, but the suggested handbook stocking requirement for northern hardwoods is 2000-5000 seedlings per acre before overstory removal is recommended. Lack of regeneration in some uneven-aged NH stands is bringing long-term sustainability into question. Regeneration issues and follow-up is often not adequately addressed.
8. Not cutting small diameter trees as prescribed, especially in areas with poor pulpwood markets.
9. Using regeneration systems to accommodate aesthetic concerns of landowner (e.g. group and patch selection of oak).
10. Invasive species problems not adequately addressed.

Specific Action: Practices outside of current GAPs be submitted as a variance request including the rationale on why the practice is being proposed. Those practices not meeting GAPs or having adequate rationale will be shared with the external silvicultural team. The Silviculture handbook remains as the predictable, guiding document and may be updated, using the handbook update process, for changes in silvicultural practices to address common and on going variances and potentially could be broadened to also include earlier rotation ages, allowing landowners the ability to manage for younger forests.

Specific Action: The three DNR Forestry Silviculturists are currently meeting with Forestry Teams and Areas throughout the state to hear about silviculture issues that each team/area are facing and dealing with in the course of their work. It is recommended that those findings be evaluated to identify other known silviculture differences outside the Department's GAPs and shared with the external silviculture team.

Provide Feedback on Implementation Impacts using the web survey tool referenced on feedback form

Implementation Impact Assessment

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Consolidate Current Standard Operating Procedures for Cutting Notices

Product: Standard Operating Procedures, all in one place, for all elements related to cutting notice review and approval

The Forest Tax Law Handbook is a compilation of history, statutes, administrative code, philosophy and procedures which is used by DNR, Cooperating Foresters, and others to learn about and understand provisions of the MFL and FCL programs. The current Forest Tax Law Handbook contains items that are repeated or discussed in several sections. Consolidating all elements related to cutting notice review and approval into one section of the Tax Law Handbook will increase efficiencies by providing DNR, Cooperating Foresters and others the ability to locate information quickly and consistently.

Specific Action: It is recommended that the Forest Tax Law Handbook be updated to consolidate elements related to cutting notice review and approval into one comprehensive section.

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Implementation Impact Assessment

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New Cutting Notice Standard Operating Procedures

Product: A clear flow chart and associated handbook language identifying steps for reviewing and approving notices, including decision support tools

A new set of Standard Operating Procedures will define elements of the cutting notice process that previously were not well defined and/or not used in a consistent fashion. The new SOPs are aimed at defining process, increasing consistency, and ultimately increasing efficiency and include the following new elements:

- A potentially centralized Cutting Notice intake process
- Criteria-based decision support tool to evaluate harvest risk to determine if a field visit is needed
- Desk approval of low-risk Cutting Notices
- Consultation with DNR Team, Area, and/or District Leaders and DNR Silviculturists as needed within a defined process flow
- Exchange of information with External Silviculture Guidance Team for further discussion of Generally Accepted Practices (GAPs)

Specific Action: It is recommended that the new SOPs be evaluated internally and with external partners, and, if approved, be reconciled with current SOPs and incorporated into the Forest Tax Law Handbook.

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A Revised and Expanded Cutting Notice Form

Product: An expanded cutting notice with the requirement of enough detail to make it approvable from the office barring that the sale does not meet criteria for a high risk sale.

The revised cutting notice form could include both supporting data as well as a narrative, similar to what State and County Forests complete before harvest establishment. The revised cutting notice would streamline the administrative elements of the form and shift the emphasis and expectations of greater detail on the harvest methods, including: harvest type, silvicultural methods, stocking levels and order of removal. DNR staff will gain efficiencies in both office and field time for reviewing and approving notices.

A revised cutting notice would:

- PROVIDE PROMPTS AND CHECK BOXES WITH NARRATIVE IN ORDER TO AID COMPLETION OF ALL THE REQUIRED ELEMENTS.
- CLEARLY IDENTIFY REQUIRED MAPPING ELEMENTS AND PROVIDE AN EXAMPLE OF AN ADEQUATE SALE MAP.
- CLEARLY DETAIL THE LIABILITY OF THE LANDOWNER AND LANDOWNER ACKNOWLEDGEMENT OF IT.
- REAFFIRM LANDOWNER PLAN GOALS OR DETAIL DIFFERENT GOALS IF THEY HAVE CHANGED. THE NOTICE WILL PROVIDE ELABORATION ON HOW THE SALE MEETS THOSE GOALS.
- CONFIRM SALE IS ESTABLISHED IN ACCORDANCE WITH PLAN PRESCRIPTIONS. IF NOT IN ACCORDANCE, THEN AGREEMENT BY DNR AND BY LANDOWNER MUST OCCUR. (PART OF LIABILITY SECTION)
- PROVIDE CONFIRMATION THAT GENERALLY ACCEPTED PRACTICES (GAPS) ARE BEING IMPLEMENTED.
- SERVE AS AN AUTHORIZED UPDATE TO THE PLAN BY BOTH THE LANDOWNER AND DNR UNTIL THE SALE IS COMPLETE AND WISFIRS IS UPDATED

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Cutting Notice Guidance – A new simple, webpage

Product: Proof of Concept for new public webpage devoted to the Cutting Notice process

Currently, the Cutting Notice is described on the Department's public webpages primarily through Frequently Asked Questions within the "harvesting" section of the tax law webpages with links to the Cutting Notice form and a directions document. A more customer driven and user friendly webpage focused on the cutting notice chould be developed and could be modeled after the "all about general permits" page currently utilized for waterway permits. The goal of framing out the information in a more user friendly way is that landowners, loggers, and foresters will have an easier time understanding the Notice process and providing complete Notices to the DNR for review and approval. This should increase efficiencies because landowners and partners will have a better understanding of the process and expectations for Cutting Notices providing more time for DNR Foresters to focus on reviewing the proposed harvesting practices.

Specific Action: Assign staff to develop the content for a new webpage; develop the webpage; share with partners.

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Centralized Intake Process for Cutting Notices

Product: A centralized system for initial review of Cutting Notices

There has been a recognition that Cutting Notices are received by the Department in varying forms of completeness. This is the result of a wide array of individuals who complete the Cutting Notice ranging from a landowner who may have no knowledge of forestry to a Cooperating Forester who is a professional forester who has signed a formal agreement with the Department, and individuals in between including consulting foresters, industrial foresters, and loggers. Currently, inconsistency occurs at the very beginning stages of the Cutting Notice process because for those Notices that are not filled out completely or with enough detail to make approval possible, some DNR staff are completing the form for the applicant by filling in missing information or adding enough detail to make the Notice approvable. Not only is this inconsistent because not all DNR Foresters are doing it, but when it is being done, not all staff are providing feedback about the Notice back to the applicant and the applicant's agent to reduce instances of incompleteness in the future.

Because the Cutting Notice can be thought of as an application or a permit to conduct a timber harvest on a property, a model similar to that for Chapter 30 Waterway and Wetland Permits could be modeled. In the Chapter 30 model, a centralized intake process is used in which all permit applications are received by two intake personnel rather than by individual Water Management Specialists in the field. The intake person does not necessarily have the professional background – it is their primary responsibility to make sure the permits have been filled out properly and provided with the required attachments. Any missing information causes the permit application to be returned to the applicant, which saves time for the field staff so that they may focus only on complete applications.

A similar centralized intake process could be considered for Cutting Notices. This would provide an efficiency because DNR Foresters would be able to focus their time reviewing complete Cutting Notice applications. A centralized intake process would also provide an incentive for a landowner to utilize the services of a Cooperating Forester to fill out the Cutting Notice because if a landowner is not able to fill out all aspects of the Cutting Notice, it would be returned to them by the centralized intake person.

A centralized intake process may only be needed until electronic cutting notices are available within WisFIRS Private Lands. At that time, many of the checks that the intake person would have performed will be automated.

Specific Action: Evaluate the concept of a centralized intake model for Cutting Notices, including which staff could be utilized for this role.

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Criteria to determine when to invest in a field review to approve a Cutting Notice

Product: Decision Support Tool -Criteria for Field reviews

A list of criteria has been developed to aid the DNR forester in reviewing a cutting notice. This process will reduce the amount of field review time spent on routine, "low risk" harvests that have been established properly. It will result in time savings, and will lead to a more consistent review of cutting notices statewide. It will also intentionally direct the DNR Forester's field time to the harvests that pose the greatest risk to the forest resource.

The intent of this criteria is to provide guidance to determine if a field review is warranted by the local DNR Forester.

The list below is to be used in a cumulative manner, looking at all of the listed characteristics as a whole. If a question arises, it is recommended to first check the management plan or file for information. Air photos, topography maps, and other resources can be used to verify information. In addition, a phone call to the landowner, cooperating forester, or logger may answer the question and a field visit may not be necessary. If a question still exists, or the proposed harvest still appears to be a high risk harvest, then a field review by the DNR forester is recommended.

Low Risk (Field Review usually not needed)	**High Risk (Field Review needed)**
Complies with GAP's (Generally Accepted Principles)	Does not comply with the GAP's
Silviculture matches management plan	Silviculture does not match plan
Coop. Forester or Master Logger involved	No Coop. Forester or Master Logger involved
Good track record w/ individuals involved	Poor/no track record w. individuals involved
Mechanical thin, pulpwood, even aged	Order of removal required, un-even aged
Easy regeneration (i.e. aspen)	Difficult regeneration (i.e. oak)
Small timber sales, one stand	Large, complex timber sales
No concerns over BMP's, NHI, Arch, Hist.	BMP's, NHI, Arch, Hist. not adeq. addressed
No concerns over soils, invasives, forest health	Concerns over soils, invasives, forest health

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Stand Evaluation -Providing a consistent method to evaluate a proposed selective harvest on MFL lands

Product: An easy to use cruising procedure for DNR Foresters to accurately evaluate a marked timber harvest.

Evaluating a proposed selectively marked harvest can provide updated and accurate stand data, and can ensure that the stand has been marked properly according to the prescription and management objective. In 2008, the Northeast District developed a "Marked Timber Evaluation Procedure" including an evaluation tool. In 2009, the Forestry Operations Team (FOT) issued a brief titled "Evaluation of Silvicultural Prescription Implementation of Selectively Marked Stands" referencing the Northeast District tool. FOT recommended that the Department should go forward with this tool, and further advised that a small team be formed to more formally implement the procedures, training, and incorporation into the handbook.

If, during the process of reviewing a cutting notice, a DNR Forester identifies problems with the order of removal, "high grading", or other concerns, this tool can provide the data to verify the concerns. Full use of this evaluation procedure can lead to better management of tax law lands, eliminate disagreements over quality of marking, and ultimately result in a more efficiently administered tax law program.

Specific Action: Adopt a Stand Evaluation tool, and the criteria for its use, using a small team of internal and external partners to implement the procedures, training, and incorporation into the handbook.

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Implementation Impact Assessment

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Accountability Measures For Cooperating Forester for Cutting Notice Elements

Product: Development of an evaluation and tracking tool for cooperating foresters specifically related to the cutting notice and report process.

The partnership between the Department and the cooperating forester program is defined in Administrative Code:

> **NR 1.213 Cooperating forester program. (1)** PURPOSE.
>
> To encourage the practice of forestry, maximize sound management of private forests in the state and provide forestry benefits to the public, a cooperative effort between the department and independent consulting foresters and industrial consulting foresters practicing in Wisconsin is established as provided in this section.

This partnership identifies that cooperators will follow "sound forestry" as defined by the department:

> (3) (b) The cooperating forester shall manage private lands where the cooperator provides service in a manner which maintains the long–term capacity of the land to provide forest products, uses and values desired by landowners in accordance with the silvicultural guidelines in department handbooks and directives or a written, science–based forest management commitment submitted to and approved by the department in advance.
>
> (f) Any other provisions deemed reasonable by the department to further the practice of sound forestry in the state.

It is recommended that Cutting Notices prepared by Cooperating Foresters be reviewed using a process similar to the current Certified Plan Writer (CPW) Compliance Order System. The CPW compliance order system is a process whereby "technical requirement non-conformances", or "TRNs" are tracked when required elements of the MFL management plan are not provided (see example on next page). Repeated TRNs can lead to the issuance of Compliance Orders. Once three Compliance Orders are issued, an individual's status as a Certified Plan Writer can be revoked. The CPW Compliance Order System is guided by three guiding principles: 1) We need CPWs to succeed; 2) We expect good quality plans to be submitted the first time around; and 3) We need to be fair and firm. A similar process, with similar guiding principles, could be implemented for Cutting Notices and Cooperating Foresters whereby the required elements of the Cutting Notice are tracked. Any issues that arise would be documented and shared with the Cooperator. An evaluation and tracking system will insure a high level of professionalism from both internal and external foresters.

A Cooperating Forester Compliance Process would include goals along the lines of:

- 95% of all cutting notices submitted thru/by Cooperating Foresters are approved on the first review by DNR Forester.
- Incentive to landowners who utilize Cooperating Foresters will know that the MFL practice being implemented meets the definition of "sound forestry" and will work through an expedited process for approval.

By continuing to grow the Cooperating Forester program, it will assist DNR foresters in picking up older mandatory practices that are currently left to the DNR forester to establish. With an approval system in place to expedite cutting notices and encouraging landowners to utilize Cooperators that have an agreement in place with the Department ensures "sound forestry" practices are being implemented.

Specific Actions: It is recommended that a Cooperating Forester Compliance Order System for Cutting Notices be developed similar to the current CPW Compliance Order System and be evaluated internally and externally with partners.

CPW COMPLIANCE AND REVOCATION TRACKING

***Reminder: Maintain checklists and all documentation necessary to support your revoc

CPW Name:			**Revocation Recommendation**			
Company Name:			Date Issued:		Issued By:	

Number of Active Compliance Orders:	Date Removed	Removed By
☐ 1		
☐ 2		
☐ 3		

*Technical Requirement Noncompliance (TRN) - Left click to check each technical requirement that was ***not*** provided.

					Compliance Order	
					Plan Date:	
					Date Issued:	
	Technical Requirement Resolution				Issued By:	
Technical Requirements	Plan Date	TRN*	Date Noted	Noted By	TRN*	Notes
I. Petition for Designation (Form 2450-129)						
a. Deed(s) represents all acreage being entered		☐			☐	
b. Deed(s) represents 100% of ownership		☐			☐	
c. Deeds show all land under same ownership		☐			☐	
d. Land not part of recorded plat		☐			☐	
e. No timber cutting restrictions on deed or appropriate steps taken		☐			☐	
f. Lien holder or land contract vendor signature		☐			☐	
g. All owner, including life estate holder, signatures as listed on deed		☐			☐	
h. Order type indicated		☐			☐	
i. Order length indicated		☐			☐	

Provide Feedback on Implementation Impacts using the web survey tool referenced on feedback form

Implementation Impact Assessment

EFFICIENCY SCALE

CONSISTENCY SCALE

IMPLEMENTATION COMPLEXITY

IMPLEMENTATION TIME FRAME

IMPACT ON PARTNERS

Expedite the Development of Electronic Submission and Review of Cutting Notices within WisFIRS Private Lands

The 3rd release of the Wisconsin Forest Inventory and Reporting System (aka WisFIRS R3) is focused on the Managed Forest Law (MFL) program and developed a system for the development, review, and approval of MFL management plans for use by Certified Plan Writers (CPWs) and DNR staff. While WisFIRS R3 does provide some timber sale tracking components and access to WisFIRS by Cooperating Foresters, the ability to complete, review, and approve cutting notices electronically within WisFIRS is not scheduled until the 6th release of WisFIRS Private Lands (aka WisFIRS R6) which includes all of the financial components of the tax law programs. In terms of efficiency, this is an area that could provide significant time savings because it would allow DNR Foresters to focus solely on content review without having to focus on proper filling out of forms, etc. The ability to manage documents electronically between applicant and reviewer also saves significant time and minimizes documents getting lost in the shuffle. These types of efficiencies are already being achieved with WisFIRS R3 in the first season of use, providing many anecdotes that DNR Foresters are having to spend much less time in their review.

The plan in place for WisFIRS Private Lands is that Cooperating Foresters will be given access in addition to CPWs who already have access. There are no plans at this time to provide access to landowners, loggers, or non-cooperating foresters. Because Cooperating Foresters will have access to WisFIRS, particularly when electronic Cutting Notices become available, this creates an incentive for a landowner to work with a Cooperating Forester for the purposes of completing a Cutting Notice. However, this also means that a paper system will need to continue to be maintained to support landowners, loggers, or non-cooperating foresters who wish to complete Cutting Notices themselves unless a non-WisFIRS electronic submittal could be developed.

Specific Action: Evaluate the pros and cons of expediting electronic cutting notices in order to implement efficiencies in the MFL Program.

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Implementation Impact Assessment

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IMPLEMENTATION TIME FRAME

IMPACT ON PARTNERS

Dynamic, timely, transparent, and institutional process for updating Standard Operating Procedures

Product: Proof of Concept Web Pages- Standard Operating Procedures

The Forest Tax Law Handbook, administrative code, and statutory references are the foundation for what is included in Standard Operating Procedures for the Tax Law Program. All three formats take considerable amount of time to change. Often the program needs to communicate policy changes in real time when decisions are made. There has been a need to develop a communication tool, to be able to convey interim or immediate policy changes to staff and partners that has been acknowledged and codified – as handbook updates require approval through the Bureau Director.

A current method for communicating policy changes involves a variety of methods including email, ForesTREEporter articles, once a year training, monthly supervisory phone calls and directives. In many cases the documents or communications of the change are difficult to relocate at a later date as items get mis-filed or tossed. It can be unclear when policy is enacted, if it has been approved by others, how long it is effective, and what is the expected action by staff and partners.

Specific Action: The recommendation is to utilize a dual approach for getting information on policy and program changes out to the public:

1. Develop Laws and Regulations page with links on to Handbooks, Notices, and Authorizing statutes and other official correspondence.

2. Notice system which is used to implement changes quickly. Notices may or may not become part of official handbook update.

This model could be started with a pilot in Forestry and Forest Tax more specifically, but could be expanded throughout the Division or even Department-wide as an approach to convey any official notifications with some modifications.

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Implementation Impact Assessment

EFFICIENCY SCALE
CONSISTENCY SCALE
IMPLEMENTATION COMPLEXITY
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IMPACT ON PARTNERS

Evaluate Opportunities to Streamline the NHI Review Process as it relates to Cutting Notices

With the release of the plan writing component of WisFIRS R3, CPWs now have the ability to search the Natural Heritage Inventory (NHI) database within WisFIRS for the purposes of writing the MFL management plan. Because this functionality is in place for the purposes of writing an MFL management plan, and because Cooperating Foresters will have access to WisFIRS Private Lands in the near future, it would be worthwhile to investigate the ability to allow Cooperating Foresters to perform checks of the NHI for the purposes of completing a Cutting Notice. Allowing for the ability for Cooperating Foresters to use WisFIRS to conduct their NHI reviews for the purposes of completing a Cutting Notice would create efficiency because currently the DNR Forester must perform the NHI search for each Cutting Notice application. While this functionality is in place for plan writing, adjustments would still need to be made to implement the NHI checks for the purposes of a Cutting Notice. This would also involve consultation with the Bureau of Natural Heritage Conservation.

It would also be valuable to investigate what other streamlining opportunities exist pertaining to NHI data and the tax law programs. The demand to streamline this process occurs from both DNR forester staff and partners who regularly establish tax law timber harvests.

Specific Action: Evaluate the ability to allow Cooperating Foresters to use WisFIRS Private Lands to conduct NHI reviews for the purposes of completing a Cutting Notice.

Provide Feedback on Implementation Impacts using the web survey tool referenced on feedback form

Implementation Impact Assessment

EFFICIENCY SCALE

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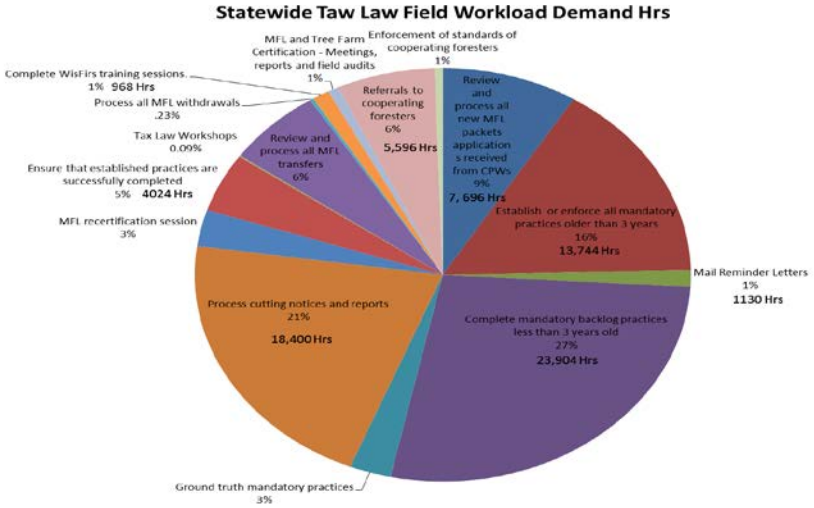
IMPACT ON PARTNERS

Tax Law Workload Hours by Function

Product: Implement a detailed time study of all major tasks undertaken by staff.

As the Dovetail Report recommended, having a clear and accurate understanding of where time is spent within the tax law program is critical when looking for efficiencies with the greatest impact on time. While the efficiencies and consistencies in MFL TE report evolved around the cutting notice it became very clear that other MFL or tax law administration tasks where not clearly defined and tasks associated with major program administration elements were not clear. Conducting a detailed time study of the tax law program to confirm the tasks and time dedicated would provide additional information for efficiency opportunities. This effort would also create a baseline to reference when identifying efficiencies and/or workload shifts in the future.



Specific Actions: A detailed time study for the Tax Law Program to adequately asses the investment in time and identify the tasks completed. This project needs to include clearly defining the task themselves.

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Implementation Impact Assessment

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Additional Considerations

A number of addition items considered when developing conceptual options include

Roles of DNR foresters and forestry partners
Large MFL accounts versus small accounts
Qualifications and knowledge to complete a cutting notice
Level of assistance and customer service
Incentives for utilizing cooperating foresters
Timber sale administration versus notice compliance

Appendix - Conceptual Products

- STANDARD OPERATING PROCEDURES FOR TAX LAW TIMBER SALE NOTICE - FLOW CHART AND SOPS
- TAX LAW TIMBER SALE NOTICE- CONCEPTUAL FORM AND GUIDANCE
- CONCEPTUAL WEB PAGE -GUIDANCE AND FRAMEWORK FOR TAX LAW TIMBER SALE NOTICE
- STAND EVALUATION TOOL (PLOT CHECK)
- CONCEPTUAL WEB PAGE – TAX LAW POLICIES AND SOP CHANGE MECHANISM
- CONCEPTUAL POLICY CHANGE FORM