



Conservation Groups Give New Governor Green Christmas Gift: Scissors to Cut Wasteful Spending from State Forestry Budget

Economic analysis reveals state forest timber sales unfairly compete with private sector and are a “loss leader” for taxpayers

For Immediate Release

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The Shawnee State Forest Economic Study, released today by the Buckeye Forest Council, the Ohio Environmental Council and the Sierra Club Ohio Chapter, details how the Ohio Department of Natural Resources (ODNR), Division of Forestry (DOF) management of our state forests is a loss leader for Ohio taxpayers. The 192-page report analyzes DOF practices such as producing goods and services, like timber, that could be provided by the private sector, versus the economic benefits of managing state forests for intact forest ecosystems services, which would require comparatively little management.

The study reveals the DOF’s published cost of timber harvesting in state forests is substantially less than the actual cost of those practices. Taxpayer subsidies make up for remaining costs from revenue sources other than timber, most likely from the state general revenue fund. In other words, a portion of, and in some cases all, of the money distributed to local communities from timber harvests on state forest land actually is financed by taxpayers, not timber sales.

Timber revenue payments to counties varied greatly from year to year and are not a reliable source of funding. In most years, they made up a very small percentage of recipient county budgets. “Protecting Ohio’s legacy by preserving Ohio’s state forests could actually create more revenue for the state than collecting revenues from logging,” said Jen Miller of the Sierra Club Ohio Chapter. “Instead of charging tax payers the cost of this money-draining program, Ohio should keep state forests in tact and find more cost-effective and consistent revenue sources for those counties that now get a small portion of their budget from logging .”

The study demonstrates that state forests only supply 2.6% of all timber harvests in the state. Such a relatively small percentage of timber harvesting could be replaced with investment in sustainable

harvests from private landowners. “It doesn't make sense for the state to be competing with the private forest industry,” said Trent Dougherty, Staff Attorney with the Ohio Environmental Council. “Private forests could easily supply the amount of wood now taken from state forests, and do so with a much needed net gain in private sector employment and income.”

The report recommends that the DOF focus management practices on benefits to the public that are of the highest value to society, rather than focusing on services and benefits for which there is already an abundant supply.

Exposing how timber harvesting in state forests has an insignificant impact on school funding and the wood processing economy, the report also demonstrates a more fiscally-responsible alternative for DOF: concentrating on maintaining and increasing the benefits that intact, older forests can provide. These benefits include recreation, soil stabilization, water storage, water purification, air purification, regulating water flow, protection and restoration of endangered species habitat, and carbon storage.

“What a coincidence that Ohio citizens identified these same ecosystem services as their highest priorities for state forest management in the Forest Resources Assessment Strategy (FRAS) Survey conducted by DOF this past year,” said Cheryl Johncox, Interim Executive Director at Buckeye Forest Council.

Each state must complete the FRAS in order to receive federal funding under the Cooperative Forestry Assistance Act, which provides a basis for future strategic directions and actions regarding identified issues and threats to Ohio’s forests. “Our state forests provide the greatest economic benefit to their owners – the people of Ohio – when they are left intact, not logged,” said Johncox. “It is time for the DOF to be re-purposed to better reflect the expressed needs of Ohio citizens in the 21st century.”

“Governor-elect John Kasich and the incoming administration have a great opportunity to break with previous Democratic and Republican administrations and start a forest conservation policy that is fiscally conservative,” said Dougherty. “It’s time create a legacy of serving the public interest, and slash and burn the costly tradition of competing with private landowners, burdening Ohio taxpayers, and cutting down our assets.”

A few of the study's recommendations and justifications include:

- **Account for the true costs of the timber program.** What we were able to determine by analyzing summary data for all state forests, is that the published costs (that are deducted from timber revenue before it is distributed among 29 local governments) very likely don’t come close to the actual costs of the program, and in some years, were higher than revenues. It is possible that with complete information about all costs reasonably attributed to timber (which we did not have), the Ohio legislature will determine that timber revenues do not cover costs in most years. If this turns out to be the case, there would also be a strong fiscal reason to halt logging practices in Shawnee and other state forests.
- **Abolish stumpage payments to counties, townships and schools, and replace them with regular, predictable contributions perhaps from the general revenue fund.** The market value of standing timber or Stumpage payments to individual local entities are generally very small compared to total budget and are unreliable. In most years, they have been at least partially financed by general revenue funds, since the net timber revenue out of which they are

paid was overestimated (direct timber costs were underestimated).

- **Ban commercial logging from Ohio state forests. Instead, give DOF a mandate to protect and expand native biodiversity, recreation and ecosystem services.** There is no legitimate role for government in producing goods or services, like timber, that could just as well be provided by private initiative. However, when it comes to protecting biodiversity, private land holdings cannot be expected to halt and reverse the trends of species extinction, due to their small size and increasing fragmentation. Shawnee and other state forests, due to their size, would be well suited to ensure the survival, re-establishment and thriving of rare and endangered native species, and it would be a proper role for state government to own and protect forests for that purpose, as well as for the provision of other ecosystem services. The greatest economic benefit to the people of Ohio, at this time, comes from intact public forests and the ecosystem services they provide, not from logging.
- **Stop all prescribed burning on public forested land.** The justifications for prescribed burns – halting a decline of oaks that is supposedly due to fire suppression, and reducing fuel loads from the 2003 ice storm – are not supported by science. This new DOF approach contradicts previous DOF statements that there is no natural role for fire and no need to reduce fuel loads with prescribed burns on eastern forestland.
- **Promote late, not early successional habitat.** DOF is currently putting great emphasis on the need to create more early successional habitat, which is habitat that develops after clearcutting. This type of habitat also results from natural disturbances like ice storms. Due to intense logging, this habitat exist in abundance on eastern forests, while forests that are more than 200 years old, register as 0%. There seems to be no logic or common sense in creating more of something of which there is already a lot, while actually undermining and further reducing that which is in extremely short supply – large expanses of unfragmented older forest.
- **To increase carbon storage, stop logging state forests and allow them to grow old. Promote and support reforestation of private lands and add agricultural land to the state forest system for the purpose of reforestation. Do not allow state forest biomass to be used as fuel.** Research shows that forests are important carbon sinks, and that older forests store and sequester more carbon than younger forests. Logging can lead to net carbon emissions for decades and sometimes centuries. Burning so-called logging waste to generate electricity will create more carbon emissions within a shorter period of time than if that debris is left behind in the forest. Prescribed burns do the same. Logging and burning need to stop so state forests can serve as effective carbon sinks during this critical time, when efforts are under way to keep global temperature increases to 2°C above pre-industrial levels.
- **Perform an analysis to determine if DOF is in compliance with the Endangered Species Act (ESA) and other state and federal laws regarding the Indiana bat and other endangered and threatened species and a thorough inventory of all plant and animal and other life in all Ohio state forests.** The Indiana bat management plan raises serious questions about DOF's current ability to bring about recovery of this indicator species. This inventory will greatly help in efforts to protect and to re-establish rare and endangered species, including the Indiana bat, across the Ohio state forests.

Conservation groups challenge incoming Governor Kasich and the Ohio Legislature to implement the full recommendations of this report by taking advantage of the cost cutting and deficit reducing opportunity being offered to them. Give the Ohio taxpayers, private property owners and small businesses a boost when it is sorely needed.

To view the executive summery and full report visit one of these websites

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