



Policy Committee Meeting

NOTES

Thursday, February 23, 2023 | 10:00am – 12:00am

MEMBERS PRESENT: Rick Horton – Chair, Pete Aube, Mike Kilgore, Bob Owens, Jim Manolis, Craig Engwall, Amber Ellering, Katie Fernholz, Keith Karnes

ABSENT:

STAFF PRESENT: Eric Schenck, Sadie Mathison

GUESTS: Molly Jansen

MFRC Update (5 min) – Eric Schenck, Executive Director

Eric reported that the Policy position was posted last week and it has been advertised through multiple venues.

Eric then stated that the request for additional appropriation dollars, which will be used to address information needs, is on the way to the Governor.

Eric is also working on a grant to fund the Northern Landscape Committee plan update. Due to some other savings, there is funding available in the MFRC budget for this.

David Wilson starts March 1st as the new MFRF Applied Forest Science Coordinator.

Pete mentioned that DNR Commissioners requested assistance with forest/forestry information and public education and outreach that will elevate trees and forests in the context of climate change, alternate fuels, etc., to the governor and legislature.

Eric also reported on the DNR's carbon report and its focus on the importance of protecting the forest. Several information needs were cited within the report and some of those are needs that MFRC is currently working on. He expressed an interest in bringing that report and the MFRC Carbon report together as a unified communication to the legislature.

Huber Decision Implications (15 min) – Group discussion

Rick reviewed the announcement that Huber has decided not to invest in Minnesota. He reviewed the process and where it fell apart. There was a strong suggestion for interested folks to read the appellate court's report although Huber decided to leave before the report was released. There was an expression of concern over Minnesota's loss of attractiveness to businesses. Another made the point that the tribes were never consulted and that this should be a sign that tribes should not be ignored going forward. There was an expression of a desire to have conversations around data earlier in the process and more conversations around wood supply. The DNR Wood Market Report was mentioned in this context.

<https://files.dnr.state.mn.us/forestry/um/forest-resources-report-2019.pdf>

Cloquet Forestry Center (15 min) – Group discussion

Rick provided a background on the University of Minnesota's decision to turn the CFC over to the Fond du Lac Tribe. He expressed the importance of the educational and research value of this facility due to the history and length of time that research has been conducted there. The University has not called for any public discussion of the matter thus far. As with the previous discussion, there was a wide range of thoughts on the situation and what this might mean for sustainable forestry in the state.

Prep for Commissioner Peterson (Dept. of Ag) (20 min) – Group discussion

Rick shared that MFRC has asked Commissioner Peterson to join the March Council meeting to discuss the intersections of Forestry and Agriculture, including:

- **Biomass Resolution**

Rick sees the MFRC Biomass Resolution (2022-1) as one intersection between the forestry and agriculture. AGRI is housed under the Dept of Ag for the investment of renewable technologies to replace fossil fuels. Several MN businesses take advantage of this program. This program promises reimbursement after the business is up and running. This program ran out of money and the participants have unpaid claims.

- **Managing Forests for Carbon/Climate**

The Department of Ag coordinated the Governor's Climate Action Framework. Rick suggested we provide Commissioner Peterson with copies of MFRC carbon/climate change materials.

Talking points for the meeting with Commissioner Peterson were discussed, including:

- His thoughts on forestry aspects of the 2023 Farm Bill
- His thoughts on the Low Carbon Fuel Standard, as it related to woody feedstocks.
- Share Resolution 2022-1 with him and discuss ways to increase use of biomass.
- His thoughts on how we avoid conflict with the Ag community as we identify “marginal farmlands” to replant to forests.

There was a suggestion to collaborate with other Commissioners including of the MPCA.

Update on Carbon RFP (5 min) – Eric Schenck, Executive Director

Eric stated that contracting staff is working on the Carbon grant agreement but it has not yet been sent out for execution. He will keep everyone up to date.

Update on IIC Funding (10 min) – Eric Schenck, Executive Director

The budget line request for IIC funding is currently with MMB and will hopefully be included with the Governor’s “clean-up” Budget Request. He will let the Council know when the Bill is introduced.

Discussion of MFRC Resolutions (30 min) – Eric Schenck, Executive Director

Eric brought attention to some developments that have happened since Resolution 2022-1 was signed and asked if there is anything the Committee feels MFRC should be taking any actions consistent with these. One suggestion was to give a copy to Commissioner Peterson and Senator Frentz.

There was a suggestion that the new Policy Analyst conduct an analysis of how this resolution aligns with the bills of this legislative session and create an understanding of MFRC’s position in the regulatory environment. The conversation around Minnesota’s energy sources is still on the table. Eric hopes David Wilson and the new Policy person can help develop the action and communication strategy part of this resolution.

Eric brought these topics forward to maintain some clarity of focus around what MFRC wants to do around them.

Legislative Update (15 min) – Rick Horton, Chair

Rick reported that two bonding bills have been introduced. One is bonding, one is cash. In the bonding bill for the DNR there is \$30 million for betterment of buildings, which specifically calls out the state nursery (\$10 million) and fish hatcheries (\$20 million). It is heading to House Ways and Means on Monday. Also in the bonding proposal is \$6 million for reforestation. There is also \$3

million for reforestation in the Governor's General Fund proposal, for a total of \$9 million for reforestation. These are high priority for DNR and should go through intact.

However, the bonding bill might not pass in a timely fashion as the Republicans may use the need for a super-majority for leverage on getting a tax bill completed first.

There is a bill providing \$10 million for fulfilling past claims under the AGRI Bioincentive program and \$15 million for the biennium to entice more enrollees.

HF1929 changes funding distribution on tax forfeit land. The bill provides that if money comes off tax forfeited land, it should go to the landowner. This strikes out all funding to the department and other distribution. There is concern that it could jeopardize county lands.

LCCMR has some forest projects. The bill made progress in the House and Senate. It has been referred to finance committees and is expected to pass soon.

The Outdoor Heritage appropriations bill has been heard in Senate and hopefully in the House soon. That will be packaged with Legacy funds and will travel as an Omnibus bill. There are no signs of threats to this bill. There is forest restoration and enhancement in that package.

Other

Rick mentioned the Policy Advisor position and asked for participants in the interview process. He agreed to be on the panel, Mike Kilgore agreed, and Amber Ellering volunteered as well. Rick suggested that the final panelist should be someone from the P&F Committee.

Rick also drew attention to Strategy #4a from the strategic plan. He will make it a focus of the next Policy Committee meeting. He also mentioned the 1996 policies and protocols document for review to see if it should be revised or if it can be continued to be used as is.

Meeting adjourned