

## POLICY NOTE

# Proposal to redirect school funding from timber harvests has potential but must address concerns

By Todd Myers, Director, Center for the Environment

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### Key Findings

1. Superintendent of Public Instruction Chris Reykdal announced a proposal to direct revenue from timber harvests in state trust forests to rural districts.
2. Rural school districts could end up receiving less money than what they were promised.
3. Although the Superintendent's office argues this doesn't impact sustainable harvest levels, the proposal could support harvests that provide not only revenue but several environmental benefits.
4. If rural communities are going to be more reliant on state trust revenue, they should also have more local control over harvest levels and forest management.
5. If the proposal is focused only on where revenue from timber harvests goes, then comments about changing forest management to emphasize habitat protection and absorbing CO<sub>2</sub> are counterproductive.
6. Sustainable harvests offer the best strategy to provide consistent revenue for schools, forest stewardship, and to provide lands that are open to the public.
7. If the forests aren't put into a trust for rural schools, this policy could do serious harm to timber communities, schools, and forests.

Washington's Superintendent of Public Instruction, Chris Reykdal, with support from the Washington Environmental Council, recently announced he wanted to target revenue from timber harvests on state lands that are legally required to fund the state's School Construction Assistance Program to rural school districts, replacing the revenue for urban districts with taxes. This is a matching program that is sending most of the state's construction funding to urban and suburban school districts. He argued that the amount of revenue from state trust lands is small – about 10% of total state funding - and makes up less than 1.4% of all school construction when including local funding.

Although he was not clear about what this means for the level of harvest in Washington state trust forest land, the Seattle Times noted "Reykdal sounded more like an environmental leader than a superintendent." He also echoed some of the rhetoric from the environmental left about carbon storage in standing trees being a tool to reduce atmospheric CO<sub>2</sub>, an argument that has been used to stop timber harvests.

I asked the Superintendent's office if Reykdal would commit to maintaining the current sustainable harvest level, and they responded that "Our proposal makes no assumptions about lower or higher harvest levels. It is specifically targeted at the Legislature to dedicate Common School Trust (CST) revenue for the communities where the revenue is generated." That isn't a clear commitment to maintaining current levels of harvest; since the SPI's statement includes a comment from the Washington Environmental Council, which supports ending harvests in state trust forests, there is a risk that this policy could leave schools, communities, and our forests in worse shape.

### Working forests are accessible and healthy

Washington state has 2.1 million acres of trust forestland, more than California and Oregon combined. Those public lands are available for hunting, recreation, and other activities. The reason we have so much forestland compared to the other two, much larger states to the south is that Washington chose to manage them sustainably for revenue rather than sell them off and rely on the legislature to provide funding for management.

That revenue is used to keep forests on both sides of the state healthy and address environmental issues when necessary. For example, fish-

blocking culverts were repaired in state forests using income from harvests. By way of comparison, it took a federal court order to force the state legislature to fund culvert replacement on state highways, managed by the State Department of Transportation.

If Superintendent Reykdal's plan reduces harvest, it would also reduce the revenue to manage the forests, increasing reliance on the legislature. We know what this model looks like: the extremely unhealthy forests managed by the U.S. Forest Service. Turning healthy, well-managed forests that generate income into stagnant, decaying forests that rely on politicians to fund responsible stewardship ignores everything we've learned in the last several decades about forestry.

We know that harvesting forests on a sustainable rotation is critical both to providing revenue and restoring overall forest health. Both the Colville Confederated Tribes and the Yakama Tribes have been extremely successful in improving the health of their forests by using sustainable harvests.

Finally, one of the biggest challenges we face when stewarding our forests is the lack of timber infrastructure - loggers, drivers, mills - to harvest and process unhealthy forests. Reducing timber harvests below sustainable levels in Western Washington would compound that problem, making it virtually impossible to do the work that is necessary to stop catastrophic wildfires across the state.

## **Forests and CO2**

The Seattle Times story noted that the Superintendent, "talked up the need for healthy forests to capture carbon." This is a new talking point for environmental activists who argue that allowing trees to grow increases the amount of CO2 forests remove from the atmosphere. The science shows very clearly this is not accurate.

For example, the U.S. Forest Service's Pacific NW Research Station noted, "Sustainably managed forests can provide greater greenhouse gas mitigation benefits than unmanaged forests while delivering numerous environmental and social benefits."

The U.N. Intergovernmental Panel on Climate Change says, "a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fibre or energy from the forest, will generate the largest sustained mitigation benefit."

Forests that are left to grow begin to deteriorate and actually emit CO2. Data from California's forests demonstrate that the only forests in the state that aren't absorbing CO2 are "reserve" forests that aren't being harvested. The best strategy to maximize the amount of CO2 absorbed by forests is to harvest when growth slows and then replant to start the rapid uptake of CO2 again.

## **Who decides how forests are managed?**

Superintendent Reykdal says he wants any remaining revenue from forests to go to rural school districts. "Rural communities in Washington have long generated this revenue through timber harvests and other trust land activities, but are not often the beneficiaries of it," he said in the statement.

This sounds good unless the total revenue declines due to reduced timber harvest levels imposed on those rural communities from the outside.

I asked the superintendent's office how harvest levels would be set under the new system. They wrote, "This proposal does not change any of Department of Natural Resources or Board of Natural Resources practices around sustainable harvest calculations, nor does it change the regional decisions on which blocks to harvest or when they get harvested. This proposal is only aimed at the Legislature to dedicate CST revenue for the communities where the revenue is generated and then have the Legislature backfill the School Construction Assistance Program (SCAP) with state bond sources (already the source for most of the SCAP)."

Indeed, if urban parts of the state stopped receiving money from sustainable harvests, they would lose any connection to those forests and might decide to stop all harvests for political reasons. For timber communities, this would be a dramatic lose-lose situation, leaving their economy and schools worse off. By separating the communities that benefit from timber revenue from the body that sets the harvest level, rural school districts could end up receiving less money than what they were promised.

The Superintendent says his goal is to connect timber revenues to the communities where the harvests occur.

The only way this system can work is if communities also have local control over harvest levels. This system already exists with trust forests managed to benefit several counties. If the forests aren't put into a trust for rural schools, this policy could do serious harm to timber communities, schools, and forests.

The system of state trust forests has provided a wide range of economic and environmental benefits. Changes to that system should be made carefully. If this proposal is simply about reallocating revenue from harvests on school trust land, that should be made clear, and the proposal should provide local control to manage the local benefits.

### **The response of the superintendent's office**

Before publication, I shared it with the superintendent's office to get their feedback. They had a few responses to the above.

- There are some potentially positive clarifications. For example, when I asked if Reykdal would commit to maintaining harvest levels, they were noncommittal but said they weren't opposed to timber harvests. For example, they wrote, "Reykdal also made clear that timber harvesting is a part of Washington's economy and will be with us forever," and also said, "The Superintendent was clear about the need to keep harvesting, and possibly using Common School Trust revenue to further manage our forests for future uses. No one benefits (industry, recreation, local communities) if our forests are burnt." Although neither of those statements addresses the level of harvest, these are both positive.
- Other statements were less forthright. As I noted above, if Reykdal isn't trying to reduce harvest levels he should make that clear. The

superintendent's office didn't like this. They responded by saying, "This has been made VERY clear. This entire post is speculation, but the statements made by the Superintendent and by OSPI have been abundantly clear that this plan is focused on reallocating revenue from timber harvests on Common School Trust lands."

It isn't clear to me, however, and it wasn't to the Seattle Times reporter who interviewed Superintendent Reykdal. The reporter noted that "It was unclear how his recommendations to change education-focused public trust spending could affect state timber harvests." Additionally, during the press conference Superintendent Reykdal spoke about forest management strategies that would reduce harvests, including leaving forests unharvested to absorb CO2 or expanding buffers along streams. If the Superintendent is focused only on how funding is used, these comments about forest management undermine that purported focus.

They were adamant, however, that the proposal had nothing to do with overall levels of timber harvest and deflected to the legislature. For example, they wrote, "The Superintendent's plan did not address harvest levels, as that is determined by the Board of Natural Resources. Reykdal's plan only addresses how and where the Legislature should target funds that are derived in rural timber communities." In another place, they responded, "The Superintendent does not have control over harvest levels. He is making the proposal to the Legislature, and it will be their decision-making that will drive harvest levels." That is not true, however.

The Superintendent of Public Instruction is one of just six members of the Washington State Board of Natural Resources (BNR) which plays the primary role in setting harvest levels. In addition to advocating particular forest management strategies, Superintendent Reykdal has a vote on those strategies and harvest levels. Decisions by the legislature can impact harvest levels, but the BNR has the primary responsibility. It isn't accurate to say the Superintendent doesn't have control over harvest levels. He has as much control as almost anyone in the state, including the governor.

- As I noted, the less connection there is between the decisionmakers who set harvest levels and the beneficiaries, the more likely it is that revenue from harvests will become a lower priority. The SPI's office did offer an edit suggesting that "the Legislature should support the Superintendent's intent and go further to provide local control to manage the local benefits." They stressed that only the legislature could make that change. This is true, but Reykdal can include it in his proposal. If he is supportive of providing local control over harvest levels, then that is fantastic. He should include that in the request legislation he sends to lawmakers. That would go a long way to earning our support.
- They also wrote, "Our plan does not assume reduced harvests. It is inaccurate to claim that our plan creates that possibility. Other policies may increase or reduce harvest, but our plan does not assume one way or the other. Our plan is about ensuring rural communities are the primary beneficiaries of harvests in their communities."



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It may be true that the plan does not assume reduced harvests, but it does create that possibility whether they recognize it or not. The fact that the Washington Environmental Council, which does not weigh in on school funding issues, but is pushing for a halt to harvesting on state trust lands, was included in OSPI's press release is an indication that WEC believes the policy can help reduce harvests. If this was just about school funding levels, WEC would not be weighing in.

The SPI's office noted that in addition to WEC, Jim Stoffer a Sequim School Director and Trust Lands Advisory Committee member for the Washington State School Directors' Association, also indicated support for the proposal. That is fine, but his focus is funding not the stewardship of forests. WEC, on the other hand, is focused only on forests, and does not weigh in on school funding. Their inclusion is about a desire to change the way state trust forests are managed, not school funding.

- Finally, in response to the science indicating that letting trees grow and decompose was not a good way to reduce atmospheric CO<sub>2</sub>, they responded, "The Superintendent did not speak about whether it is better to plant new trees or grow existing trees in age. Healthy forests do capture carbon – they burn less; and healthy forests also means harvesting to turn trees into lumber that supports construction for 50-100 years." This is good. In the next comment, however, they wrote, "The Superintendent has had the opportunity to receive many briefings about this while serving on the Board of Natural Resources, and the science is not clear one way or the other." In one sentence they indicate support for sustainable harvest as a way to reduce CO<sub>2</sub> and in the next sentence they leave the door open to go the other direction.

The science is extremely clear. Indeed, the DNR's own analysis shows that in many state trust forests, reducing the age at which forests are harvested would maximize CO<sub>2</sub> absorption. One reason the state doesn't do that is that there are tradeoffs, and longer rotations provide other benefits. The claims that harvesting increases CO<sub>2</sub> are from forests that are not replanted, which isn't the case in Washington state.

To be sure, there are some potentially positive things in the SPI's response, like the recognition that harvests provide a variety of benefits, including economic and environmental. But if Reykdal is committed to managing forests in a way that continues to create income for rural schools, support a timber industry that is critical to addressing forest health problems, reducing atmospheric CO<sub>2</sub>, and providing sound environmental stewardship of forests, he needs to be clearer and more transparent about that as well as his support for sustainable harvest levels and local control.