

September 25, 2024

Dear Executive Sidhu and Whatcom County Councilmembers,

Thank you so much for all of your recent engagement with the Department of Natural Resources (DNR) regarding opportunities to co-manage Whatcom County's forests. I wanted to reach out in response to the <u>September 12th letter</u> you received from the Mount Baker School District (MBSD). As someone who is deeply grateful for the incredible K-12 education I got from Mount Baker schools, it saddens me to hear about the current financial woes the district is facing. However, I think it's important to take a look at the root causes of this financial crisis rather than using our last remaining mature "legacy" forests as a scapegoat. I say this for a few important reasons:

- 1) DNR's Assistant Deputy Supervisor for State Uplands Duane Emmons has said on numerous occasions that DNR plans their timber sales in a "trust blind" manner, meaning they choose sales based on landscape considerations and do not guarantee any annual amount of revenue to trust beneficiaries. This means that school districts can't rely on a consistent amount of timber revenue from one year to the next.
  - This is confirmed by MBSD's letter, which shows a huge variation in annual timber revenue: in 2018/19 they received \$377k from DNR timber sales, and in 2019/20 they received \$1.9 million. This is true in other counties as well. For example, between 2018-22, 40% of the beneficiaries of Snohomish County's DNR revenue didn't receive *any* revenue for at least 1 of those years. How can timber sale revenue be anything other than "icing on the cake" if it can vary so dramatically and there is no guaranteed annual revenue?
- 2) DNR estimated that MBSD will have a delay in revenue of about \$212k from the timber sales they put into conservation during the 2022/23 fiscal year (Brokedown Palace and Szechuan Beef). Since MBSD's annual budget is around \$32 million, it seems inaccurate to say in their letter that the delay of two timber sales was a "major cause" of their deficit. In the coming years, MBSD will actually receive *more* revenue from conserving these forests, since *more* acres of replacement lands will be purchased than what was originally put into conservation.
- 3) There are thousands of other acres of State Forest Board Transfer (county trust) lands DNR could log instead of upcoming sales containing mature forests like Little Lilly. In fact, I'm aware of at least 4 timber sales (around 520 acres) scheduled for a few years from now that could be expedited to make up for any revenue delays caused by temporarily pausing legacy forest sales.
- 4) At the <u>July BNR meeting</u> (1:08:11), State Superintendent Reykdal shared some important context regarding school funding coming from State Forest Board Transfer trust lands: Up until 2017, the legislature required school districts statewide to actually deduct any timber sales revenue they



received from their state budget appropriations. For example, on paper MBSD received \$1.6 million in 2015/16, but in reality the legislature required that \$1.6 million to be taken out of their general funds from state appropriation. Luckily OSPI went to the legislature and got that changed in 2017, but it's important to remember that school districts receiving timber revenue from county trust lands is a relatively new occurrence. How does this square with MBSD's very recent budget crisis and claim that a "major cause" is the delay of a couple timber sales?

There are deeper root causes to solve when it comes to fully funding our schools. Rural communities shouldn't have to choose between climate resilience and our kids' education. There is a statewide coalition of conservation organizations who are committed to working with the legislature, WA State Association of Counties, and DNR to make sure that any future legislative efforts to fund the conservation of Whatcom's mature forests don't result in revenue delays and are win-win solutions for conservation and schools.

State Lands Commissioner Franz has stated on numerous occasions, including at a 2022 event at the University of Washington, that Trust Beneficiaries get to decide how their lands are managed, even if that means pausing harvests. Please write to the Board of Natural Resources and request a temporary pause on logging mature forests in Whatcom County in order to give the Whatcom Resilience Task Force and DNR's Carbon and Forest Management Work Group time to share their findings and recommendations. Thank you for taking the time to read this letter and for your leadership on this issue.

Sincerely,

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