

WASHINGTON STATE DEPARTMENT OF
Natural Resources

Doug Sutherland - Commissioner of Public Lands

2009 – 2011 Operating Budget

2009 – 2019 Capital Plan

OFFICE OF BUDGET AND ECONOMICS

SEPTEMBER 2008



Doug Sutherland
Commissioner of Public Lands

September 5, 2008

The Honorable Christine Gregoire
Washington State Governor
PO Box 40002
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Dear Governor Gregoire

CHRISTINE

The Department of Natural Resources (DNR) continues to provide revenue for common schools and universities while fulfilling our mission to maintain sustainable natural resources for the benefit of the citizens of Washington State. I am attaching our 2009-11 Operating and Capital Budget requests that reflect the Department's assessment of the resources required to continue to provide the many public benefits that result from sustainable, environmentally responsible natural resource management.

DNR's strategic planning emphasizes our commitment to sustainability even in this time of economic uncertainty. DNR is evaluating ways to lessen the potential impacts of climate change on our natural resources while working to decrease current and future impacts on the environment.

Our strategic priorities for 2009-2011 continue to align our programs with our vision for the sustainable use of our natural resources. Our aim is to CONSERVE, RESTORE, and PROTECT Washington's natural resources. This overarching theme guides DNR's management and employees as they establish budget, legislative, and management priorities.

Within these principles, we have identified five strategic priorities for the new biennium. These are articulated in our Strategic Plan along with the many budget and legislative priorities essential to accomplish them. Several of the budget impacts necessary to achieve our priorities are highlighted here.

- Resource Management Cost Account: The Board of Natural Resources (BNR) adopted a new decadal sustainable harvest plan for state trust lands in 2005. This plan has two primary goals: to enhance the ecologic health and structure of the state's forest lands and to increase revenue to the common schools, universities and other beneficiaries. In order to achieve these goals, the Department requested an increase in the management fund from 25% to 30% of revenue. In each of the past two biennia, the Legislature granted the BNR temporary authority to set the management fee up to the higher level.

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Unfortunately, the downturn in the economy has significantly impacted our management fund as it has many other state funds. It is essential that the BNR once again be granted the authority to adjust the management fee up to 30%. This will allow the Department to respond to changing market conditions and to achieve our ecological and financial goals. While there is not a specific budget decision package to request the increase, I am requesting that you include language in your biennial budget request authorizing the BNR to adjust the management fee.

- Investment in Forests and Farms: The capital budget includes the appropriation authority necessary to reinvest funds generated from the sale and transfer of state lands. This strategic repositioning is essential to increase both the long-term financial performance of trust lands and to achieve strategic positioning of lands for ecological, conservation, and management purposes in support of other state goals for conserving biodiversity, our natural heritage, and quality of life. Our request continues the goals of protecting critical forest and agricultural lands from conversion while maintaining them as working forests and farms.
- Support for Outdoor Recreation: The Department of Natural Resources manages about 150 public access recreation sites and 1,000 miles of trails serving hikers, horsemen, off-road vehicle riders, and many others. The Legislature granted funds in the current biennium to plan for recreational use in three high use areas. Our budget request proposes that we continue to build on this investment by implementing these planning efforts by investing in critical environmental, habitat and water quality goals providing safe public access on these landscapes.
- Support for a Healthier Puget Sound: The DNR Aquatic Resources program is a valuable partner in the Puget Sound Initiative. Among the projects planned next biennium are continuing to remove creosote logs from Puget Sound, partnering with the Department of Ecology to clean-up contaminated sediments, and restoring damaged aquatic lands.
- Aquatic Resources Habitat Conservation Plan: Implementing the Aquatic Habitat Conservation Plan is a critical component of your plan to clean-up Puget Sound by 2020. We propose to begin a phase-in of the implementation of the HCP during the next biennium.

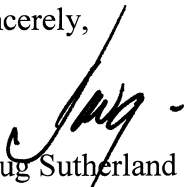
The decision packages highlighted above represent only a few of the critical issues facing the Department in the forthcoming biennium. Our biennial budget requests also include our critical needs in wildfire protection, unstable landforms, urban forestry, forest health, and the maintenance of new conservation areas.

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The budget priorities that we have put forth will allow the DNR to meet its sustainability goals. While we clearly understand the impacts on the state budget of the current economic downturn, we also must be clear in identifying the requirements to insure that natural resource are CONSERVED, RESTORED, and PROTECTED both in the near-term and for future generations. We have thoroughly reviewed each of our decision packages to ensure that we have used the most cost efficient approach practical. While this may result in short-term delays in meeting our outcomes, it is imperative that we continue to invest in our natural resources even at this lower level. We trust that you will agree and will give due consideration to our requests in your proposed biennial operating and capital budgets.

Thank you for your consideration. Please let me know if you have questions or if we can provide additional information. You can reach me at (360) 902-1000.

Sincerely,



Doug Sutherland
Commissioner of Public Lands

Attachments

c: Bob VanSchoorl, DNR Budget Director
Bonnie Bunning, Executive Director of Policy and Administration
Vicki Christiansen, Executive Director of Regulatory Programs
Bruce Mackey, Lands Steward
Fran McNair, Aquatic Lands Steward