Agency: 490 Department of Natural Resources
Decision Package Code/Title: FH Forest Health Implementation
Budget Period: 2009-11
Budget Level: PL - Performance Level

Recommendation Summary Text:

Authority to modernize of the Forest Health Authorities (RCW 76.06) occurred with passage of ESSB 6141 in 2007. Obtaining spatially explicit forest inventory data, performing risk assessments, and identifying insect and disease risk thresholds were not funded in 2007 but continue to be a critical program need. This was identified by the multi-stakeholder agreement regarding the bill. The skills of an Analyst (Environmental Planner 3) to conduct spatial analysis, reporting, and creating Geographic Information Systems (GIS) communication products are needed. The program must have the capacity to assess forest condition, develop suitable forest health prescription recommendations, evaluate landowner forest management plans, and track land condition and accomplishment is needed for implementation of Tier 1 and Tier 2 services to landowners.

Fiscal Detail

<table>
<thead>
<tr>
<th>Operating Expenditures</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>001-1 General Fund - Basic Account-State</td>
<td>437,600</td>
<td>411,800</td>
<td>849,400</td>
</tr>
<tr>
<td>Total Cost</td>
<td>437,600</td>
<td>411,800</td>
<td>849,400</td>
</tr>
<tr>
<td>Staffing FTEs</td>
<td>FY 2010</td>
<td>FY 2011</td>
<td>Annual Average</td>
</tr>
<tr>
<td></td>
<td>1.9</td>
<td>2.5</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Package Description:

This request continues the phased in implementation of the legislatively mandated Forest Health Program at a slower pace than indicated in the original fiscal note for SB 6141 due to the status of the State's general fund. The proposal includes the additional staff necessary for expanding Tier 1 activities in eastern Washington and initiating Tier 2 activities at one site in FY10. This will result in improved forest health in Eastern Washington, a reduction in the number and intensity of wildfires and the cost of suppressing them, and increased landowner commitment to sustainable stewardship. It will contribute to developing methods for identifying, prioritizing, and treating forest areas at risk to insects, disease, wildfire, and climate change.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

In order to fulfill the goals of RCW 76.06, the Forest Health Program must continue to increase its capacity to identify high priority areas for landowner outreach and prevention activities and provide meaningful site specific consultation and management recommendations to landowners. This would be accomplished by seeking spatially explicit forest inventory data and analysis.

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support ($325,000 per biennium); employing an Environmental Planner 3 (to prepare forest risk analysis, GIS products, and reports), a NR Research Technician (to assist in conducting site specific forest and risk evaluations and in tracking program activities and land condition), and an Administrative Assistant 2 for support of the increased administrative workload. Small amounts are requested to fund communication products and to assist landowners in organizing cooperative projects.

Performance Measure Detail:

<table>
<thead>
<tr>
<th>Expected result</th>
<th>Incremental Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acres with site specific inventory assessments</td>
<td>1 million per year</td>
</tr>
<tr>
<td>Site specific landowner contacts and consultation</td>
<td>50 per year</td>
</tr>
<tr>
<td>New forest management plans generated</td>
<td>10 per year</td>
</tr>
<tr>
<td>Projects facilitated with state seed money</td>
<td>1 per year</td>
</tr>
</tbody>
</table>

The Resource Protection Forest Health Program performance measure "Number of strategies implemented as a result of evaluations for current or potential forest insect, disease, fire or wind problems" is not specifically impacted by this request. Expanding Tier 1 activities and initiating Tier 2 for FY10 will provide the more robust results indicated above.

Performance Measure Detail

Activity: A046 Resource Protection

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This proposal supports our goal to assure that "forest systems enjoy equal or greater health and productivity" by implementing our strategies to:

Establish, restore, and maintain healthy forests.
Maintain a vigilant insect and disease monitoring system.
Effectively pursue partnerships with small forest landowners, and provide leadership in dealing with their unique issues.
Promote the establishment, maintenance, or restoration of forest stands so they can resist serious damage from fire, insects, and diseases.

Does this decision package provide essential support to one of the Governor's priorities?

As an essential element of the Resource Protection Forest Health Program, this proposal supports the following Priorities of Government:

"Improve the quality of Washington's natural resources", through;

Establishing safeguards and standards to protect natural resources,
Preserve, maintain and restore natural systems and landscapes,
Providing good science and resource monitoring data to support decision making, and
Improving individual practices and choices about natural resources

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This proposal makes key contributions to the "Improve the quality of Washington's natural resources" statewide result by:

Establishing safeguards and standards to protect natural resources
Preserving, maintaining and restoring natural systems and landscapes
Providing good science and resource monitoring data to support decision-making
Improving individual practices and choices about natural resources.

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What are the other important connections or impacts related to this proposal?

The Forest health program is currently investigating methods of evaluating success (such as forest landowner surveys) in a pilot demonstration area (Stevens County). This will likely generate potential success measures.

Spatially explicit inventory data might also allow quantitative success measurements in terms of reduced insect/disease/fire risk forest conditions across an area of interest.

Improving forest health has a relationship to reducing the potential impacts of climate change. When forest health is improved, then the individual trees become more resistant and resilient to drought and adverse climate in addition to insects, disease, and wildfire. When overcrowded trees are harvested and converted to wood products, they do not rot or burn to release carbon into the atmosphere. If they are used for energy production then they potentially replace fossil fuels that would have been used similarly. "Leading the Way on Climate Change: The Challenge of Our Time Interim Report, February 2008" recommended a forestry strategy (F-1) of Improving Forest Health. It describes implementing fuel reduction treatments on 25% of forest acres identified as being at high-risk of catastrophic wildfires by 2020. Site specific inventory and analysis activities and techniques as described in this proposal could be used to identify acres at high risk of wildfire. Employing forest health improving treatments will also reduce risk of wildfire and enhance the sustainability of the forest.

What alternatives were explored by the agency, and why was this alternative chosen?

The current proposal was developed anticipating ramping up of program capacity and services over future years. This proposal is the next iteration of ramping up, albeit at a reduced rate than originally envisioned in 2007.

What are the consequences of not funding this package?

The implementation of the legislatively mandated Forest Health Program would not be funded. This will reduce the ability of the Forest Health Program to provide preventative forest health advice and treatments, rather than reactive treatments to state and private forest landowners. It will reduce the Program's capacity to provide high quality information to forest landowners throughout the state and to affect forests on a landscape basis. It will not contribute to reducing the number and intensity of forest fires and reducing the cost of suppressing them. It will not contribute to our capacity to increase the resistance and resiliency of forests to the potential effects of climate change nor will it contribute to enhancing our capacity to locate and treat forests at high risk of climate change and wildfire when/if we decide to take action.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

A .5 FTE Environmental Planner 3 will prepare forest risk analysis, GIS products, and reports (this position would expand to full time in the 2011-13 biennium). A full time NR Research Technician 3 position would assist in conducting site specific forest and risk evaluations, tracking program activities, and land conditions. Starting in 2011 a .5 FTE Administrative Assistant 2 would provide support for administrative services in eastern Washington offices. Salary and benefit cost is $267,900 for the 2009-11 biennium and $361,600 a biennium thereafter.

Personal Service Contracts:
Contractual work to perform a site specific spatially explicit forest inventory and analysis and risk/needs assessment of the current condition of Washington's forests and locations of highest priority hazards. This involves an efficient forest inventory to identify the areas at greatest risk from specific insects or diseases and also requires determining site-specific prescriptive actions that will effectively reduce the risk on those sites. Cost for this work is $325,000 for the 2009-11 biennium, $500,000 for the 2011-13 biennium and $2,000,000 for the 2013-15 biennium.
Contractual work for communication products. This work will assist landowners in organizing cooperative projects and support the general forest health strategic plan, the fire strategic plan, and the specific forest health hazard warning and order areas. Cost for this work is $40,000 for the 2009-11 biennium, $80,000 for the 2011-13 biennium and $100,000 for the 2013-15 biennium.

Goods and services, rent, and travel are based on program averages.

One-time items include workstations at $7,000 each for three positions, one pick-up for $24,000 and three computers for $3,900.

Grants: $30,000 in the 2009-11 biennium for cost share agreements with landowners. This will allow the program to offer site-specific information, technical assistance and project coordination services. This includes landowner financial assistance to implement forest health treatments that do not pay for themselves through the sale of forest products. Cost for this work in outlying years is estimated to be $200,000 a biennium.

Agency administrative cost is calculated at 27% and shown as object T. FTE associated with agency admin is estimated at .5 of a position.

There are no anticipated revenue changes due to this proposal.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Costs related to this proposal are ongoing except as noted in expenditure calculation area above.

<table>
<thead>
<tr>
<th>Object Detail</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Salaries And Wages</td>
<td>100,900</td>
<td>102,800</td>
<td>203,700</td>
</tr>
<tr>
<td>B Employee Benefits</td>
<td>28,500</td>
<td>35,700</td>
<td>64,200</td>
</tr>
<tr>
<td>C Personal Service Contracts</td>
<td>195,000</td>
<td>170,000</td>
<td>365,000</td>
</tr>
<tr>
<td>E Goods And Services</td>
<td>24,600</td>
<td>22,200</td>
<td>46,800</td>
</tr>
<tr>
<td>G Travel</td>
<td>12,800</td>
<td>17,000</td>
<td>29,800</td>
</tr>
<tr>
<td>J Capital Outlays</td>
<td>26,700</td>
<td>1,200</td>
<td>27,900</td>
</tr>
<tr>
<td>N Grants, Benefits &amp; Client Services</td>
<td>10,000</td>
<td>20,000</td>
<td>30,000</td>
</tr>
<tr>
<td>T Intra-Agency Reimbursements</td>
<td>39,100</td>
<td>42,900</td>
<td>82,000</td>
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<tr>
<td>Total Objects</td>
<td>437,600</td>
<td>411,800</td>
<td>849,400</td>
</tr>
</tbody>
</table>

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