State of Washington  
Decision Package  

Agency:  
490 Department of Natural Resources  
Decision Package Code/Title:  
EA Expert Forestry Assistance  
Budget Period:  
2009-11  
Budget Level:  
PL - Performance Level  

Recommendation Summary Text:

This proposal ensures that DNR's Forest Practices Program can continue to deliver technical assistance to small forest landowners, to assist them in protecting public resources while maintaining healthy, productive forests. It also ensures that the program continues to have access to expert technical support needed to implement the Forest Practices Act and Rules. Specifically, this proposal: 1) transitions core stewardship forestry functions within DNR's Small Forest Landowner Office (SFLO) from federal to state funding, and 2) maintains current levels of expert technical support from the departments of Ecology (DOE) and Fish & Wildlife (DFW).

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>398,900</td>
<td>398,900</td>
<td>797,800</td>
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<tr>
<td>Total Cost</td>
<td>398,900</td>
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<td>797,800</td>
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<table>
<thead>
<tr>
<th>Staffing</th>
<th>FY 2010</th>
<th>FY 2011</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs</td>
<td>2.0</td>
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Package Description:

Element 1. Stewardship Forestry ($474,800)

The Small Forest Landowner Office's (SFLO) stewardship forestry functions are a proven system for communicating information about sound forest management approaches and assistance programs to small forest landowners. Small forest landowners own and manage over 3 million acres of Washington's forest lands and exert a tremendous influence on public resources, particularly in low elevation areas that contain major streams and rivers, and important fish and wildlife habitat. Stewardship forestry offers advice and assistance to these landowners to help them protect water quality, provide fish and wildlife habitat, improve forest health, and reduce the risk of wildfire. Advice is customized to meet the landowner's objectives. Further, stewardship forestry's capabilities represent a form of incentive and encouragement for small forest landowners to maintain well-managed forest lands rather than creating unhealthy forest conditions or converting their forest lands to other uses. Historically, funding for stewardship forestry has been provided by the federal government. However, State and Private Forestry has recently been de-prioritized by the U.S. Department of Agriculture, and efforts by state and local officials to restore federal funding have had limited success. This proposal transitions 2 senior stewardship forestry staff from "soft" federal funding to state funding, thereby ensuring that the crucial, operational nexus between assistance programs and those whom the programs must reach remains intact.

Element 2. Expert Technical Support ($323,000)
DNR relies upon expert technical support from DOE and DFW to implement the Forest Practices Act and Rules. Since 2000, federal funding has been provided to DOE and DFW for this purpose. From FY 00 through FY 06, funding was provided through a series congressional earmarks supporting implementation of Washington's landmark Forests & Fish Report. Federal funding ceased at the end of FY 06, and starting in FY 07, state funding was added to the Forest Practices Program's carry forward level for expert technical support provided by DOE and DFW, at the same level as FY 00. However, costs incurred by DOE and DFW to provide this support have substantially increased since FY 00, due to the point that DOE and DFW cannot continue to provide the same levels of support unless funding is increased. This proposal maintains current levels of expert technical support available to the Forest Practices Program by increasing funding to DOE and DFW.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

Element 1: Technical assistance to small forest landowners is maintained. More small forest landowners manage their lands to provide optimal protection for public resources while maintaining healthy, productive forests.

Element 2: Water quality and fish and wildlife habitat considerations are well represented during Forest Practices Application (FPA) processing. Regulatory decisions affecting water quality or fish and wildlife habitat are well informed by expert technical input provided by DOE and DFW.

Potential performance measures include:

- Numbers of contacts with small forest landowners.
- Acres of forest land managed under approved stewardship plans.
- Rates of conversion of small forest landowner properties to other land uses.

Element 2 is reflected in existing Forest Practices Program's performance measures. Because Element 1 represents a funding transition and Element 2 maintains current support levels, no incremental changes are expected.

**Performance Measure Detail**

**Activity: A016**  **Forest Practices Act and Rules**

No measures submitted for package

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

This proposal supports the Department of Natural Resources' strategic plan as follows:

**Goal:** The public we serve widely and consistently holds DNR in high esteem
**Goal:** Forest systems enjoy equal or greater health and productivity
**Goal:** DNR is faithfully implementing its responsibilities as a regulator
**Goal:** DNR's workforce is skilled, knowledgeable, motivated, and effective

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

Yes, this request provides essential support to several of the Priorities of Government:

- Improve the quality of Washington's natural resources
- Improve the ability of state government to achieve its results efficiently and effectively
Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, this request contributes to the following statewide results:

- Improve the quality of Washington's natural resources
- Improve individual practices and choices about natural resources
- Provide good science and resource monitoring data to support decision-making

- Improve the ability of state government to achieve its results efficiently and effectively
- Improve decision support for government decision makers

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

Other agencies that rely upon small forest landowner's voluntary forest-management actions and count upon well-informed regulatory decision-making by DNR to help accomplish their missions are positively impacted. These include the departments of Ecology and Fish & Wildlife, the Governor's Salmon Recovery Office, and the Puget Sound Partnership. Approximately 20% of work to be carried out under this proposal is within the Puget Sound Basin.

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

For Element 1, DNR considered continuing to rely upon "soft" federal funding to support core stewardship forestry functions. DNR rejected this alternative because federal funding for state and private forestry programs is declining and uncertain. For Element 2, DNR considered working with reduced levels of expert technical support from DOE and DFW. DNR rejected this alternative because maintaining current levels of support from DOE and DFW is essential to ensuring that DNR's Forest Practices foresters are well informed, thereby allowing them to make the best possible regulatory decisions for forest practices activities involving water quality or fish and wildlife habitat.

What are the consequences of not funding this package?

For Element 1, core stewardship functions would be subject to availability of federal funding; this funding is declining and uncertain. For Element 2, reduced levels of expert technical support would be available to inform DNR's regulatory decision-making. There would be a higher likelihood that water quality or fish and wildlife habitat considerations could be overlooked during FPA processing.

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

Element 1: One Natural Resource Specialist 4 and 1 Natural Resource Specialist 3 are shifted from "soft" federal funding to state funding. These are permanent positions; costs are ongoing.

Salaries and benefits are $310,800.
Goods and services, rent, travel are based on program averages.
Agency administrative cost is calculated at 27% and shown as object T. FTE associated with agency admin is estimated at 2.0 FTE.

Element 2: FY 00-level funding provided to DOE ($197,000 per year) and DFW ($388,000 per year) was inflated using actual (2001 - 2007) and estimated (2008 - 2010) Implicit Price Deflators supplied by DOE budget staff. This resulted in a cumulative 27.6% increase from 2000 to 2010. This amount of additional funding is requested (DOE = 27.6% x $197,000 per year = $54,400 per year; DFW = 27.6% x $388,000 per year = $107,100 per year). These are ongoing costs.

This proposal does not affect any form of revenue.

September 5, 2008


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

All costs are ongoing.

<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>117,400</td>
<td>117,400</td>
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<tr>
<td>B  Employee Benefits</td>
<td>38,000</td>
<td>38,000</td>
<td>76,000</td>
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<tr>
<td>E  Goods And Services</td>
<td>177,100</td>
<td>177,100</td>
<td>354,200</td>
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<tr>
<td>G  Travel</td>
<td>17,700</td>
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<td>35,400</td>
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<tr>
<td>T  Intra-Agency Reimbursements</td>
<td>48,700</td>
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<tr>
<td><strong>Total Objects</strong></td>
<td><strong>398,900</strong></td>
<td><strong>398,900</strong></td>
<td><strong>797,800</strong></td>
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