

TO: Timber, Fish, and Wildlife Policy Committee Members

FROM: TFW Budget Subcommittee (Terra Rentz, Rich Doenges, Mary Scurlock, Karen Terwilleger, Mark Hicks, Curt Veldhuisen, Hans Berge; staff supported provided by Angela Johnson and Howard Haemmerle)

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Subject: Forest Practices Master Project Schedule – Balancing the budget

Process

The TFW Budget Subcommittee met on three different occasions for half-day meetings throughout the month of March. Our process was to:

- (1) isolate the status of each project to identify those funds that were under contract and “inflexible”;
- (2) isolate the space (dollar amount) where the actual prioritization could occur;
- (3) gain clarification on budget amount to apply reductions where appropriate; and
- (4) identify project components that facilitated “gap-years” in funding.

During that process, we more correctly identified which projects (or components) were “board directed”, which projects could be broken apart for separate evaluation based on phases, and more thoroughly evaluated the status of projects to determine which ones were ready for implementation. Although our objective was to balance the current biennium, the group acknowledged that next biennium also has to balance out because it is not fiscally responsible to start projects that we cannot afford to finish.

Organizational Notes – The accompanying spreadsheet has 4 tabs – V.1 Final – Extended Monitoring; V.2 Final – Extended Amphib; V.3 – No Extended; and SOURCE – KEEP – Modified MPS. “FINAL” tables are linked to the “SOURCE-KEEP” table. Any changes made in the “SOURCE-KEEP” table with *auto populate* in the “FINAL” tables.

The “SOURCE-KEEP” table is also the original MPS spreadsheet TFW updated in February. Original line numbers from this table have been captured in Column A in all 3 “FINAL” versions.

Master Project Schedule Characteristics, Major Changes, and Values

All Master Project Schedule alternatives reflect the following characteristics, changes, and values:

- **Administration and Program Staff Section** –
 - A more calendared approach to budgeting for many CMER needs such as the CMER conference, technical editor, and ISPR.
 - Reduction in staff capacity (either Program Support or CMER Scientists) due to reduction in concurrent projects. All alternatives reflect a recommendation to not backfill the EP5 Project Manager upon retirement. However, policy should discuss if this *or* not filling a vacant CMER science position is more appropriate.
 - Re-established the contingency fund as the FP Board fully co-opted it for the AMP review.
- **Board Directed Projects** – the subcommittee moved previously directed board projects that were not in this category originally into this section. Our hope is that by more accurately organizing projects in the MPS that the FP Board will be able to see the impact of directing products outside of the CMER process.
- **Active Research Projects** – This section contains all active research projects that are currently under contract. All of these projects are “locked in” and completed in FY19. The subcommittee identified these projects as “outside the scope of prioritization”.
- **Extended Monitoring** – the next section of this memo discusses extended monitoring for Type N. The subcommittee grouped these projects into a single section for consideration.

- **Prioritization** – When looking at the full suite of projects, the subcommittee felt that there was consensus from Policy that at least some CWA projects should be at the top of the list. Just over \$1 million was available for allocating to project not currently under contract – an insufficient amount to support all projects originally scheduled for this biennium. As such, the subcommittee tried to adhere to Policy’s direction when dealing with prioritization with a limited budget. The following sections reflect that intent.
 - **CWA Projects w/ study designs ready for implementation** – two large projects. Policy needs to decide if these projects should be reduced or maintained.
 - **CWA Study Design Development or Scoping Phase** – 3 projects with the 2 wetlands projects staggered.
 - **CWA Scoping Phase** – 1 project (proof of concept)
 - **Non CWA Projects** – the subcommittee identified 2 projects that were high on the priority list and included them in this section if funding is available based on the aforementioned policy decision needs.
- **The Holding Box** – The Subcommittee did not remove any project from the list. Instead, we identified that under most alternatives sufficient funding is not available until FY24/25. Projects have been grouped by order of “readiness” for more effective integration in to the schedule should funding be made available.

Policy Decision – Extended Monitoring

The discussion around extended monitoring the Type N Experimental Buffer Treatments Projects was extensive. The Subcommittee felt that Policy needed to decide to keep or drop extended monitoring. Further, the discussion drew a distinction between extended monitoring for temperature versus amphibians noting that the reasons for extended monitoring for these two components is different. As such, the Subcommittee has identified three (3) versions of the Master Project Schedule: (1) Version 1 contains all extended monitoring elements; (2) Version 2 contains only the extended monitoring element related to amphibians; and (3) Version 3 excludes all extended monitoring for Type N.

Policy Discussion Areas

The subcommittee found that many projects require a more targeted policy discussion to clarify desired intent. Specifically:

- **Potential Habitat Break Validation Study – *what does this study need to answer and, depending on the alternative, what projects are a lower priority?*** Four alternatives have been proposed and the subcommittee had budgeted for the least costly alternative (35 sites in each ecoregion without eDNA). Policy can identify a different alternative, but a budgetary tradeoff needs to occur with the reduction of at least one or more projects.
- **RSAG_Extensive Riparian Status and Trends Monitoring – *what do we want CMER to answer about testing monitoring techniques?*** The current project just addresses remote sensing, but other elements may need to be integrated such as direct imperial measurement and compliance monitoring. Phase 1 (scoping and study design) is done FY19. The subcommittee integrated a gap year in FY20/21 to provide policy with the space to have a discussion about status and trends extensive monitoring and to provide that guidance to CMER to support their technical work for developing Phases 2 and 3.
- **TWIG_Westside Type F Riparian Prescription Monitoring – *should the questions in this study be reduced? What is the recruitment of wood for instream habitat?*** Best available science is already available for most riparian functions, with the exception of wood and wood recruitment. Previous CMER research shows we achieve most objectives (shade, sediment, etc.) with 75-foot buffers, but information is lacking regarding wood to answer the question. The subcommittee recommends reevaluating the specificity of the study and built in a FY20/21 gap year to accommodate modifications to study design.

- **RSAG_Riparian Characteristics and Shade Study – *what is the desired in terms of scope and scale?*** This project has a few alternatives. The budget alternatives reflect the least costly option.
- **UPSAG Deep Seated Slopes – *what are the policy issues and priorities related to deep seated slopes?*** Policy needs to review the strategy, developed under board direction, to isolate the policy questions that would require targeted research. The Subcommittee moved the strategy design component (FY18) under board directed projects and left the remaining aspects of this project for prioritization in out years to accommodate the space for this conversation.
- **SAGE_Eastside Timber Harvest Types Evaluation Project (ETHEP) – *what are the policy parameters for this project?*** The subcommittee identified that this project could be very simple *or* result in a large research project with big changes. It was also identified that the project may need subsequent

MPS Alternatives Trade-offs

The subcommittee got the MPS 95% of the way there, but Policy needs to make some concrete decisions to complete the task. Each alternative has tradeoffs, discussed below:

- **Version 1 – This version prioritizes extended monitoring.** Unfortunately, by FY20/21 the program is over budget by **\$121,657**, and by **\$1,036,307** in FY22/23. If this version is accepted, additional projects need to be moved to the holding box. Specifically, the program can only afford to fund the 2 large projects (ENREP and Road Prescription Monitoring), or 1 large project and a combination of smaller projects.
- **Version 2 – This version prioritizes extended monitoring for amphibians only.** It is within budget for FY18/19, and 20/21. It is only **\$386,000** over budget in FY 22/23. If this version is accepted, some projects may need to be reduced in their out years *or* more gap years need to be built in. This version may be able to accommodate 1 to 2 additional projects from the “Holding Box” in the schedule depending on how gap years are placed, or accommodate all CMER or Program staff.
- **Version 3 – This version does not prioritize extended monitoring.** It is in the black for the current biennium and every out year. This version has the possibility to accommodate 1 or 2 additional projects from the “Holding Box” or higher cost alternatives to certain projects (noted in the spreadsheet), or accommodate all CMER or Program staff.

Decision Making Space

The Subcommittee requests that Policy evaluate the 3 budget alternatives and make the following decisions:

- Step 1.** Determine if extended monitoring is a priority, and to what extent (i.e. – select a Version for baseline)
- Step 2.** Determine if staffing reductions to Program staff (not backfill EP5 upon retirement) or CMER Scientists (only 3 w/ NWIFC and 1 Eastside) are preferred or if all staff should be maintained.
- Step 3.** Determine if current low cost alternatives to projects (noted in spreadsheet) are desired, or if enhanced alternatives are preferred.
- Step 4.** After previous decisions are made, determine if available funding permits additional projects to be added to the list. If necessary, determine gap years in project plans to stay within budget for out years.