

Appropriations Issue Paper: FY 2007 Community-based Restoration Funding Package

Twenty-first century land management goals focus on restoring public lands and protecting communities from catastrophic wildfire, and include collaboration and strong government accountability – both fiscal and managerial. To achieve these goals, changes are needed within the agencies' budgets and budget allocation systems. The 'Community-based Restoration Funding Package' offers an integrated investment portfolio that 1) increases collaboration between diverse stakeholders and land management agencies, 2) advances rural stewardship capacity, 3) improves forest and watershed conditions, and 4) reduces wildfire impacts on our lands and surrounding communities. The recommendations herein highlight investment priorities for distinct budget line items with the US Departments of Agriculture and Interior (the agencies), and advocate specific changes to funding allocation processes. We focus on programs that foster public-private cooperation and leverage scarce public dollars to achieve integrated forest restoration and rural economic development.

In this fiscally-tight time, effective restoration requires partnerships between agencies and communities. Rural leadership and workforce are well-positioned to efficiently help implement restoration projects, utilize woody biomass removed from these activities, and bring non-federal matching dollars and sweat equity to the table. To achieve this, we need a diverse investment portfolio that augments ecological restoration to include collaborative decision-making, business development, and monitoring. We need a pro-active, solution-oriented approach to federal spending; this Community-based Restoration Funding Package offers such an approach.

Funding Package Highlights

1. Community Capacity Building (EAP) [\$40M]
2. Collaboration and Multiparty (new line item) [\$20M]
3. Wildlife and Fisheries Habitat [\$146.2M]
4. Vegetation and Watershed Management [\$199.4M]
5. Capital Improvements and Maintenance [\$244.4M]
6. Landowner and Community Assistance Programs (FS - Forest Health Management, Cooperative Fire, and BLM - Rural Fire Assistance) [\$250M]

Priority Recommendations

1. **Invest in Capacity Building for Rural Communities.** The agencies need programs that deliver grants and technical assistance to build restoration-based businesses (in the watershed and the woodshop), and to provide dollars for participatory planning, community collaboration and monitoring. The Forest Service – Economic Action Programs (EAP) provided this support, served as leverage for additional private dollars, and was one of a few funding sources for Community Wildfire Protection Plans. Elimination of EAP, *without a replacement*, will have a catastrophic effect on community capacities to be effective allies in forest restoration. While the biomass grants program developed under the Hazardous Fuels line item provides some opportunity to offset the loss of EAP, funds are limited (only \$5 million) and narrowly focused around biomass. This program might serve as a model for developing a program similar to EAP and for ensuring that biomass utilization projects are monitored and provide opportunities for small, local businesses.

COALITION PARTNERS:

Alliance for Forest Workers and Harvesters • Alliance for Sustainable Jobs and the Environment • American Forests • Applegate River Watershed Council • Center for Biological Diversity • Central Oregon Intergovernmental Council • Collaborative Learning Circle • Conservation Northwest • Destination Packwood Association • Ecosystem Workforce Program • Forest Energy Corporation • ForEverGreen Forestry • Framing Our Community • Gifford Pinchot Task Force • Hells Canyon Preservation Council • Institute for Culture and Ecology • Jefferson State Forest Products • Jefferson Sustainable Development Initiative • Lake County Resources Initiative • Lomakatsi Restoration Project • Madrone Enterprises • Mattole Restoration Council • Northwest Connections • Oregon Trout • Pinchot Partnership • Resource Innovations • Salmon Valley Stewardship • SBS Wood Shavings • Sustainable Northwest • The Forest Guild • Wallowa Resources • Watershed Research and Training Center • Wildlands CPR

2. ***Create a Collaboration and Multi-party Monitoring Line Item.*** The current capacity and funding availability for agencies to engage in collaboration - as required under the Executive Order on Cooperative Conservation and accompanying memorandum, and called for under the Healthy Forests Restoration Act and Stewardship Contracting – is extremely limited. This line item will provide needed direction and critical funding that is currently absent from the Forest Service budget structure to support early and continued collaboration at the local, project-level. This line item also anticipates the new planning rule requirements for monitoring for adaptive management. Currently there are no line items in the agencies' budget structure, or associated performance measures, to ensure that collaborative approaches are adopted.
3. ***Increase support for federal agencies to work with state and local governments, homeowners, landowners, and communities.*** Funding reductions to Forest Service and BLM programs that support collaborative efforts for wildfire protection, forest health, and landowner assistance will debilitate the restoration of our public and private lands. We need investment in programs such as the Forest Service's Cooperative Fire and Forest Health programs, Forest Stewardship, and the BLM's Rural Fire Assistance and Jobs-in-the-Woods programs. Title II of the Secure Rural Schools and Community Self-Determination Act (County Payments) has also been an important driver for collaborative restoration projects on federal forests and should be fully funded.
4. ***Invest in Wildlife and Fisheries Management, Vegetation and Watershed Management and Rehabilitation and Restoration Line Items.*** Developing a program of work around restoration requires funding availability for project planning and implementation. Rather than reductions, investments in line items for Wildlife and Fisheries Habitat Management and Rehabilitation and Restoration are crucial.
5. ***Restore, Maintain, and Decommission roads.*** The transportation system on our National Forests is neither ecologically nor economically sustainable. Suffering from decades of neglect, needed roads are in disrepair and unneeded roads are deteriorating and environmentally degenerating. Chronic under-investment in transportation planning, and in road improvement, maintenance, and decommissioning is exacerbating this already expensive problem. Without solid investment to restore this public asset, the \$10 billion road maintenance backlog could turn into a \$100 billion ecological disaster.

Specific Concerns with the President's Proposed FY2007 Budget

1. ***Eliminates funding for community capacity and workforce training programs*** key to making forest restoration a viable component of rural economies. Programs slated for elimination include the Forest Service Economic Action Programs and Jobs-in-the-Woods programs. The President's justification for eliminating EAP is misguided, citing duplication with three existing USDA Rural Development programs which do not provide the same type of assistance provided under EAP.
2. ***Significantly reduces funding to community and landowner assistance programs*** critical to enabling the agencies to meet the goals contained in the National Fire Plan, Healthy Forest Restoration Act and the Western Governors' Association 10-year implementation strategy. This includes 40% reductions over the past two years within the Forest Service and BLM to assist state and local fire departments in wildfire fighting (Cooperative Fire Protection and Rural Fire Assistance), coupled with reductions to fire fighting assistance programs in the Federal Emergency Management Agency.
3. ***Reduces funding by over 85% for the Forest Service Restoration and Rehabilitation program***, which accelerates forest recovery in burned areas and prevents further damage to soil and water resources. The President's budget proposal equals approximately 1% of the funds appropriated by Congress in FY2001 for these activities. 18.5 million acres of national forest burned between FY 2002-FY 2004. More, not less, attention and resources should be directed to restoring functioning forest ecosystems where they have been heavily impacted by wildfire or other natural disturbances.
4. ***Does not provide a long-term solution for the Secure Rural Schools (county payments) reauthorization*** because reauthorization is needlessly tied to controversial land sales. Funding is also reduced in half, and the overall plan is to completely eliminate this program over time. The payments under this successful program support rural schools and roads, collaborative restoration, and currently serve as the only source of federal funds for Community Wildfire Protection Plans.

Agency Budget Allocations Needed

Recent legislation, such as the Healthy Forest Restoration Act, policies such as the National Fire Plan, and three of the six current strategic goals and objectives for the Forest Service call for active forest management to restore forest conditions. In addition, Congress has instructed the agencies to adopt a collaborative approach to natural resources management, and the Administration signed an Executive Order on Cooperative Conservation directing the agencies to work through collaborative processes and partnerships with non-governmental entities. In reality, however, current budget allocation processes may be preventing effective agency action toward forest restoration goals and collaborative approaches. The existing allocation process does not monitor, reward, or provide incentives for collaboration; it is too focused on targets designed for old management objectives. Further, the current criteria used in the allocation process at the national and regional office levels does not adequately consider what resources are needed to support efficient, outcome-oriented, collaborative forest restoration.

1. National Allocation Process

Congressional direction and oversight are needed to ensure that national level allocations across program areas and line items account for and support the agencies in:

- A. Working collaboratively with rural communities, interest groups, tribes, and local and state government;
- B. Providing technical and financial assistance to rural communities to participate in forest restoration activities and utilize the material removed during restoration treatments for value-added processing;
- C. Monitoring the ecological impacts and economic benefits of forest restoration projects over time; and
- D. Ensuring that technical assistance, grants, and management activities are prioritized for low income and/or low capacity¹ communities, in which the negative effects of wildfire, job loss, and forest degradation are magnified.

¹ *Community capacity is the collective ability of residents in a community to respond to external and internal stresses, to create and take advantage of opportunities, and to meet local needs.*

2. Regional Allocation Process

Further, agency allocations from the Regional Office to individual Forests and Districts should reward and provide incentives to Forests with:

- A. Collaborative forest restoration projects underway;
- B. Outreach conducted to low-income or underserved members in the community;
- C. Projects tiered to Community Wildfire Protection Plans or other collaborative forest or watershed restoration plans; and
- D. Projects with matching funds or in-kind resources available from local communities and/or non-federal partners.

It is important that the agencies' budgets be prioritized and linked to performance measures. Appendix 2 of this document proposes ways to link existing budget line items to the goals of promoting collaboration, community capacity building, improved forest and watershed condition, and reducing the risk of wildfire.

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RURAL VOICES FOR CONSERVATION COALITION

Working together to find solutions to the ecological and economic challenges of the rural West.

Explanation of FY 2007 Community-based Restoration Line Items

U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE

State and Private Forestry

The Forest Service *State and Private Forestry* programs are central to Community-Based Forestry and this Restoration Funding Package. These programs provide coordinated management, protection, conservation education and resource use that facilitate stewardship across lands of all ownerships. They also build community capacity to care for our public resources, while strengthening rural economies.

The *Forest Health Management* program maintains healthy, productive forest ecosystems by preventing and suppressing harmful insect, disease, and plant outbreaks. The program develops and applies new and improved technologies for use in surveys, monitoring, technical assistance, prevention, and suppression activities. Federal Lands and Cooperative Lands activities ensure that this work take place across land ownerships.

Cooperative Fire Protection contributes important funds to build local wildland firefighting capacity through the State Fire Assistance and Volunteer Fire Assistance activities. Building local capacity to fight wildfire is critical to saving lives, private and federal property, and federal wildfire fighting dollars.

Cooperative Forestry administers a critical set of programs and works in partnership with States, tribal governments, communities and private landowners to improve the management, protection, and use of forest-based goods and services. The Forest Stewardship Program provides private landowners with technical assistance in developing forest management plans and with reforestation and hazardous fuels reduction resources. Economic Action Programs build capacity within natural resource-dependent rural communities to strengthen their economies and to work in collaboration with federal agencies on federal lands restoration/maintenance. The Forest Resources Information and Analysis program provides cost-share financial assistance to States to perform important nationwide forest inventory and analysis for public and private forested resources.

We also recommend the creation of a *Collaboration and Multi-party Monitoring* line item to provide the funding necessary to build agency capacity to work in partnership with communities. Included in these funds is financial support for collaborative monitoring efforts on hazardous fuels reduction projects, called for under the Healthy Forests

Restoration Act (HFRA). Currently, there is no discrete line item in the Forest Service budget to fund this type of project level monitoring (see explanation of Inventory and Monitoring Line Item below). Ideally, with the collaborative monitoring emphasis contained in the Healthy Forests Restoration Act, Congress will address this budget level problem with a clear and simple solution by creating a line item with dedicated funds to implement the legislative mandates contained in HFRA.

National Forest System

Inventory and Monitoring funds inventory, monitoring, assessment and resource mapping activities in the Forest Service. These functions are an important component to measuring success toward agency goals and establishing the baseline data from which management decisions are made. Activities under this line item are restricted to large-scale assessments, such as landscape level ecosystem inventories. None of the funds allocated to this line item are currently authorized for project level work, making them ineligible for the collaborative monitoring called for under HFRA.

Wildlife and Fisheries Habitat Management provides funding for national forests and grasslands to manage habitats necessary to maintain the diversity, viability, and productivity of plant and animal communities.

The *Vegetation and Watershed Management* program focuses on restoration, enhancement, and management of watershed conditions including soil, air, water, and forest and rangeland vegetation. This program includes reforestation and timber stand improvements, which are important activities for restoring structure and function on lands affected by wildfires. This is the key planning resource watershed restoration projects and for road decommissioning and closure.

Wildland Fire Management

The Wildland Fire Management budget funds activities to protect life, property, and natural resources on National Forest Lands, as well as adjacent State and private lands. Along with the necessary fire operation budget line items, there are a number of line items in this budget area that fund a holistic approach to restoring our national forest lands.

The *Hazardous Fuels Reduction* budget line item funds hazardous fuel reduction treatments in the wildland urban interface (WUI) and on other FS lands in order to reduce the risk of catastrophic

wildfire. Funds are provided to plan, implement and otherwise support fuel management activities including inventorying and mapping hazardous fuels, prioritizing areas for treatment, analyzing treatment alternatives, determining and applying fuel treatments, and monitoring and evaluating fuel treatment accomplishments. Within this line item, there may also be an opportunity to fund both the Commercial and Improved Biomass Use Grants Programs, authorized by the Energy Policy Act of 2005. The Commercial Use program would enhance utilization of woody biomass removed during fuels treatments by improving the economic efficiencies of transporting this material to production facilities. The Improved Use program would promote research and development of new and innovative uses for woody biomass.

The *Rehabilitation and Restoration* program restores landscapes and protects communities from post-fire damage. This covers both short and long-term efforts to improve lands unlikely to recover naturally from fire damage, or to repair or replace minor facilities damaged by fire.

Several important programs are funded through the State and Private Forestry account specifically for activities under the National Fire Plan. The *Forest Health Management – Federal Lands* line item provides funding for technical assistance to help manage and control invasive insects and diseases, and to evaluate forest and tree health in areas of high fire risk and in previous burn areas. The program targets federal lands close to cooperative lands to control damaging pest populations that have the potential to affect neighboring lands, including rural communities. The *Forest Health Management – Cooperative Lands* program provides technical and financial assistance to States to control damaging pest populations on forestland owned by states, local governments, private organizations and individuals that is in high-risk fire areas or previously burned areas. *Economic Action Programs* provides funding to local communities to identify, develop and expand economic activities related to material removed during hazardous fuels reduction treatments. This program also funds projects that allow communities to conduct wildfire risk assessments, defensible space planning and Community Wildfire Protection Plans. *State Fire Assistance and Volunteer Fire Assistance* provide funds in preparedness and hazardous mitigation to States and local fire fighters. Resources are also provided for local communities to implement fire protection activities such as hazardous fuels treatments, education campaigns,

personnel training, and to make equipment and personnel available for fire fighting. This program is the primary contributor to the national FIREWISE program that supports states and local communities in reducing hazardous fuels in and around communities, and in strengthening voluntary rural fire departments.

Capital Improvement and Maintenance

The *Roads* budget line item funds maintenance, improvements and decommissioning on the 386,000 miles of NFS system roads. Funding is currently only at 20 percent necessary to fully maintain Forest Service roads to safety, service, and environmental standards. While roads in disrepair cause damage to streams, fisheries and water supplies, which cost taxpayers more money to fix, road maintenance and decommissioning provide high wage jobs to rural communities while protecting our natural heritage.

Mandatory Appropriations

Payments to States – County Projects are authorized under the Secure Rural Schools and Community Self-Determination Act of 2000, under Title II and Title III, which allow counties to utilize 15-20 percent of their payment amounts for forest restoration, maintenance, stewardship, or county projects under the auspices of a Resource Advisory Committee. The program is collaborative in nature, and the funds, if a county elects to utilize them, are for project-oriented work. Communities across the country are now successfully utilizing these funds to develop Community Wildfire Protection Plans and implement priority restoration projects on federal and non-federal land.

U.S. DEPARTMENT OF AGRICULTURE NATURAL RESOURCE CONSERVATION SERVICE

The Natural Resource Conservation Service administers two key programs that assist private landowners with stewardship activities.

The *Environmental Quality Incentives Program (EQIP)* provides cost-share payments and other incentives to address soil, water and other management issues on non-industrial private lands.

The *Wildlife Habitat Incentives Program (WHIP)* provides private landowners with cost-share payments and technical assistance to develop wildlife habitat.

U.S. DEPARTMENT OF INTERIOR BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLM) has been a pioneer in cooperative stewardship and collaboration with rural communities. Unfortunately, funding for basic BLM land management activities has been reduced in

recent years. Given that the BLM works with communities on forest restoration, fisheries enhancement, hazardous fuels reduction, timber stand improvement, and road decommissioning, we recommend maintaining base funding for BLM land management programs while increasing funding for collaboration-focused programs.

Funding for BLM land management activities are divided by focus area, and local BLM offices submit project proposals to the state and national offices on a project-by-project basis. Projects that demonstrate local collaboration are an integral component to the following programs. *Riparian Management* funds are used to enhance creek side areas through livestock fencing improvements, tree planting, and erosion control. The *Wildlife and Fisheries* programs work to restore habitat in forest and rangelands habitats. The *Fisheries Program* has played a significant role in watershed restoration efforts to improve salmon and trout habitat. The *Resource Management and Planning* program inventories and monitors BLM-managed resources, including timber, rangeland, fisheries, recreation and water quality. To further encourage collaboration between the BLM and local communities, we recommend funding for the *Challenge Cost Share Program*, which is specifically designed for projects undertaken by local communities on public lands. This program is used for a diversity of activities including road maintenance, land management planning, fisheries restoration and timber stand improvement.

WILDLAND FIRE MANAGEMENT

The *Hazardous Fuels Reduction* line item funds fuels reduction projects on both the BLM Wildland/Urban Interface (WUI) and non-WUI lands. The Rural Fire Assistance program funds capacity building for local fire fighting efforts. Burned Area Rehabilitation funds restoration activities on lands damaged by wildfire, including monies to monitor and evaluate treatments. There may also be an opportunity to fund both the Commercial and Improved Biomass Use Grants Programs, authorized by the Energy Policy Act of 2005, through this line item.

The *Jobs-in-the-Woods* program funds restoration work on BLM lands in Oregon and California while retraining displaced rural workers.

Resource Management and Planning supports BLM's efforts to expand and improve its monitoring systems to support management decisions and to assess the impacts of restoration activities.

U.S. DEPARTMENT OF INTERIOR FISH AND WILDLIFE SERVICE

The US Fish and Wildlife Service (USFWS) oversees the National Wildlife Refuge System. As a participant in the National Fire Plan, the USFWS engages communities in hazardous fuels reduction on and around Refuges through the *Hazardous Fuels Reduction* line item. In addition, the

USFWS works extensively with private landowners to promote voluntary conservation work. Programs such as the *Landowner Incentive Program* and the *Private Stewardship Program* have been used by community groups to achieve forest restoration goals on private lands and within mixed ownerships. These programs place an emphasis on habitat restoration for threatened and endangered species. The voluntary approach can reduce conflict by promoting consensus-driven projects that emphasize recovery.

The *Landowner Incentive Program* provides grants to states and tribes to, in turn, offer technical and financial assistance to private landowners for protecting and restoring imperiled species and their habitat. The Private Stewardship Program provides grants to individuals and groups engaged in local, private and voluntary conservation efforts that benefit listed, proposed, candidate, or other at-risk species.

Who We Are

The Rural Voices for Conservation Coalition is comprised of western rural and local, regional, and national organizations that have joined together to promote balanced conservation-based approaches to the ecological and economic problems facing the West. We are committed to finding and promoting solutions through collaborative, place-based work that recognizes the inextricable link between the long-term health of the land and well being of rural communities. We come from California, Oregon, Washington, Idaho, New Mexico, and Montana.

For More Information

Maia Enzer
Sustainable Northwest
503-221-6911
menzer@sustainablenorthwest.org

Wendy Gerlitz
National Network of Forest Practitioners
503-449-0009
wgerlitz@nnfp.org

Learn more about the Rural Voices for Conservation Coalition:
503-221-6911
issue@sustainablenorthwest.org

www.sustainablenorthwest.org/programs/policy.php