State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **9G Attorney General Services**

Budget Period: **2015-17**

Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The Department of Natural Resources (DNR) utilizes the services of the Attorney General's Office (AGO) in the successful completion of its land management, public safety and environmental protection responsibilities. Additional appropriation is requested to increase the level of AGO support to DNR.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
001-1	General Fund - Basic Account-State	51,000	51,000	102,000
014-1	Forest Development Account-State	40,000	40,000	80,000
041-1	Resource Management Cost Account-State	61,000	61,000	122,000
Total Cost		**152,000**	**152,000**	**304,000**

Package Description:

The Department of Natural Resources (DNR) utilizes the services of the Attorney General's Office (AGO) in the successful completion of its land management, public safety and environmental protection responsibilities. Additional appropriation is requested to increase DNR's funding for AGO services to meet projected needs. This additional funding will increase the AGO FTEs providing legal services to DNR by 1.75 FTEs.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The increased AGO resources will result in timely responses to legal deadlines and requests for legal advice.

Performance Measure Detail

No measures submitted for package

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

Yes, this proposal supports the Department of Natural Resources Strategic Plan: 2014-2017: Goal 1, "Manage state owned lands for economic and ecological sustainability" and Goal 2, "Protect and maintain working forestlands, habitats, and other natural resources".

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This request supports the Governor's Priorities, "Energy and Climate".

This request supports Results Washington Goal 3: "Sustainable Energy and a Clean Environment" - Building a legacy of resource stewardship for the next generation of Washingtonians. DNR continues to maintain and protect forestlands, habitats, and other natural resources.

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

Trust beneficiaries and the general public benefit from DNR having adequate legal resources to support its land management, public safety and environmental protection activities.

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

One alternative would be to retain our legal services budget at the authorized 13-15 level. Given the increase in demand for legal services, that would result in some AG work going undone, to the detriment of DNR programs.

A second alternative would be to divert funding from DNR's land management and GF-S programs to cover this expense. This would result in needing to reduce deliverables in those programs, possibly impacting state land revenue production or fire support.

What are the consequences of adopting or not adopting this package?

DNR will receive an adequate level of legal services from the AGO to support its land management, public safety and environmental protection programs.

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

AGO charges are coded to goods and services.

The increased need for AG services is being primarily driven by the state lands programs and the fire program. The requested fund split is reflective of that projected workload.

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

All costs are ongoing.

Object Detail		FY 2016	FY 2017	Total
E	Goods\Other Services	152,000	152,000	304,000

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **FS Fire Suppression**

Budget Period: **2015-17**

Budget Level: **M2 - Inflation and Other Rate Changes**

Recommendation Summary Text:

The Department of Natural Resources is responsible for responding to and suppressing wildfires. The state's portion of these costs are paid from General Fund-State and the Disaster Response Account. An estimate of these costs, based upon actual historical fire costs, is appropriated within DNR's biennial budget. This request adjusts DNR's biennial fire suppression appropriation to align with updated fire suppression expenditure history.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	2,359,000	2,359,000	4,718,000
Total Cost	**2,359,000**	**2,359,000**	**4,718,000**

Package Description:

The Department of Natural Resources (DNR) is responsible for responding to and suppressing wildfires. The state's portion of these costs are paid from General Fund State and the Disaster Response Account. An estimate of these costs, based upon actual historical fire costs, is appropriated within DNR's biennial budget. This request adjusts DNR's biennial fire suppression appropriation to align with updated fire suppression expenditure history.

Each biennium DNR prepares an estimate of necessary funding for the ensuing two-year period. The estimate is based on annual expenditures over a period of time most representative of what is expected for the upcoming biennium. This estimate uses the average of the last six years of fire suppression expenditures. DNR's GF-State 2015-17 carryforward level appropriation for fire suppression is $19,099,000 per year, with an additional $2,500,000 per year from the Disaster Response Account, for a total of $21,599,000. The six year historical average shows this amount should be $23,333,000. (See attached chart for details.)

DNR's fire suppression funding has historically been provisoed in the biennial and supplemental budget bills. This proviso has also included the following prohibition: "None of the general fund and disaster response account amounts provided in this subsection may be used to fund agency indirect and administrative expenses. Agency indirect and administrative costs shall be allocated among the agency's remaining accounts and appropriations." This has created a fund equity problem. The costs of such administrative functions as hiring fire fighters, processing fire payrolls, and paying fire suppression bills cannot be charged to the GF-S/Disaster funds due to this prohibition. This results in those administrative costs being borne by the other funds that pay for DNR administrative programs, such as the Resource Management Cost Account (RMCA) and the Forest Development Account (FDA). It is inappropriate for these funds to be subsidizing wildfire suppression. DNR requests that the administrative prohibition be modified to allow for the charging of

directly-related support costs to the fire suppression funds. DNR estimates this direct support cost at $625,000/year.

A maintenance level biennial adjustment of $4,718,000 is requested to bring DNR's biennial fire suppression appropriation to the six year historical average level.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The fire suppression activity is committed to DNR's goals of preventing losses to life, minimizing property loss, and minimizing damage to natural resources. Responding to wildland fires requires support from training firefighting staff and specialized equipment to keep fires small and property losses to a minimum. DNR maintains a performance goal of keeping 95% of all fires contained at or below 10 acres.

Performance Measure Detail

Activity: A013 Fire Suppression

Incremental Changes

No measures submitted for package

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

This proposal supports Goal 2 of DNR's 2014-17 Strategic Plan - Protect and maintain working forestlands, habitats, and other natural resources, and subgoal 2A - Protect Washington's communities and natural resources from wildfire and other natural hazards.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes. An effective wildfire suppression program reduces the risk of property damage and economic loss while making the most effective use of available resources, thus supporting both the Governor's Economy priority and his Government Reform priority.

Yes. An effective wildfire suppression program supports the Results Washington priorities of Sustainable Energy and a Clean Environment and Health & Safe Communities.

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

DNR partners with the federal government, local governments and fire districts to successfully combat wildfires.

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

Calculation of annual average.

There are alternatives to calculating a yearly average. This request uses the average of the last six years of expenditures. A second option would use the average of the last ten years of expenditures; a third uses the last ten years of expenditures, dropping the two highest and two lowest years, and averaging the remaining six. The goal was to select the methodology that would be most representative of actual fire suppression costs over recent history. Below are the results of these three methods:

Method	Maintenance Level Annual Need
Last six years	$23,333,000
Last ten years	$23,376,000
10-year average w/o 2 high & 2 low	$21,597,000

A second alternative would be to continue to depend upon the supplemental budgets to fund the gap between DNR's annual carryforward level fire suppression appropriation and the projected actual costs. This alternative is not recommended, as the gap between DNR's biennial appropriation and actual fire suppression costs increases the risk of a supplemental budget request, putting belated pressure on the competing needs for GF-State. Increasing DNR's biennial appropriation sets aside a reasonable amount of funding for emergency fire suppression and decreases (but doesn't eliminate) the risk of a supplemental budget request.

Amending the prohibition of administrative costs.

One alternative is to completely eliminate the prohibition of charging administrative indirect costs to the fire suppression activity. This is not considered a viable alternative. With the exception of fire suppression, DNR's administrative indirect charges by fund mirror direct program staff charges by fund. Staff months are considered the best proration mechanism because the administrative indirect cost is most affected by the number of agency staff the administrative programs support. However, the fire suppression activity is unique in that only some of the administrative indirect programs actually provide support to the suppression program. Therefore, applying the standard approach would result in charging fire suppression for administrative services that it does not receive.

The second alternative is to continue the historical prohibition of all administrative indirect costs. This is also not considered a viable alternative, as it creates a fund equity problem. The costs of such administrative functions as hiring fire fighters, processing fire payrolls, and paying fire suppression bills cannot be charged to the GF-S/Disaster funds due to this prohibition. This results in those administrative costs being borne by the other funds that pay for DNR administrative programs, such as the RMCA and FDA. It is inappropriate for these funds to be subsidizing wildfire suppression.

What are the consequences of adopting or not adopting this package?

DNR would continue to respond to wildfires and require yearly supplemental budget appropriations to fund the appropriation gap. Fire suppression expenditures would continue to be charged to GF-State.

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

The requested funds are based on the last six years of expenditures. Expenditures by object reflect the ratio between objects in the 2011-13 biennium; administrative indirect is shown in Object T.

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

All costs are ongoing.

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	510,000	510,000	1,020,000
B	Employee Benefits	141,000	141,000	282,000
E	Goods\Other Services	1,035,000	1,035,000	2,070,000
G	Travel	48,000	48,000	96,000
T	Intra-Agency Reimbursements	625,000	625,000	1,250,000
Total Objects		**2,359,000**	**2,359,000**	**4,718,000**

FIRE SUPPRESSION 10-YEAR HISTORY
ACTUAL EXPENDITURES
Updated through FY 13

	FY	Agency Total	001 GFS	05H Disaster	030 LOC	001 GFF	001 GFL	189 CMcN~	190 FFPA	Last 10 Years GFS/Dis/CMcN	6-YEAR AVG w/o 2 Hi & 2 Lo GFS/Dis/CMcN	Last 6 Years GFS/Dis/CMcN
1	2013	47,220,775	41,838,749	1,186,840	140,434	4,054,752				43,025,589		43,025,589
2	2012	13,281,564	8,030,000	3,813,160	93,677	1,344,727				11,843,160		11,843,160
3	2011	16,361,856	11,447,289	3,439,131	99,114	1,376,322				14,886,420		14,886,420
4	2010	25,874,211	22,669,998	1,560,869	172,727	1,457,909	12,708			24,230,867	24,230,867	24,230,867
5	2009^	30,154,711	25,482,533		306,983	4,359,980	7,505	(2,290)		25,480,243	25,480,243	25,480,243
6	2008	25,006,230	13,919,999	5,000,000	212,740	4,200,626	64,604	1,612,789	(4,528)	20,532,788	20,532,788	20,532,788
7	2007	47,968,260	34,426,141		1,444,235	12,097,884				34,426,141		
8	2006	22,324,199	10,688,999	5,000,000	3,395,515	2,506,485	12,107	721,093		16,410,092	16,410,092	
9	2005	18,166,528	17,065,242		634,820	438,812	27,654			17,065,242	17,065,242	
10	2004	29,020,947	18,663,188	7,200,000	156,620	2,960,317	40,822			25,863,188	25,863,188	
10-Yr Average		**27,537,928**	**20,423,214**	**2,720,000**	**665,687**	**3,479,781**	**16,540**	**233,159**	**(453)**	**23,376,373**	**21,597,070**	**23,333,178**
							15-17 annual carryforward level			**21,599,000**	**21,599,000**	**21,599,000**
							funding gap			**1,777,373**	**(1,930)**	**1,734,178**
							direct administrative support			**625,000**	**625,000**	**625,000**
							rounding			**(373)**	**(70)**	**(178)**
							subtotal annual gap			**2,402,000**	**623,000**	**2,359,000**
							total 15-17 request			**4,804,000**	**1,246,000**	**4,718,000**

* Source - AFRS

^ In FY09 DataMart was different from AFRS in GFS and LOC as follows:
1E2 = $25,493,156 and LOC = $307,016.

Department of Natural Resources
Aquatic Lands Enhancement Account (ALEA)
Fund Balance Projection
September 12, 2014

	13-15	15-17	17-19	19-21
Starting Biennial Fund Balance	**4,994**	**6,974**	**4,726**	**9,422**
Projected revenue (September 2014 forecast)	**34,603**	**34,600**	**36,600**	**36,800**
DNR operating expenditures/CFL	(3,578)	(8,135)	(8,135)	(8,135)
DNR 15-17 decision package		(8,158)	(8,158)	(8,158)
Other Agency operating expenditures/CFL	(22,767)	(14,178)	(14,178)	(14,178)
DNR capital expenditures	(3,145)			
DNR capital expenditures/reappropriations		(200)		
Other agency capital expenditures	(2,100)			
Other agency capital expenditures/reappropriations	(2,146)	(4,745)		
Total expenditures	**(33,736)**	**(35,416)**	**(30,471)**	**(30,471)**
Transfers	(446)	(140)	(140)	(140)
Pt. Ruston loan repayment to Settlement Account		(1,293)	(1,293)	(1,293)
OFM FY 14 set-aside for Pt. Ruston loan repayment	(2,041)			
Restore FY 13/14 set-asides for Pt. Ruston loan repayment	3,600			
Total Transfers	**1,113**	**(1,433)**	**(1,433)**	**(1,433)**
Projected Fund Balance 6/30/15	**6,974**	**4,726**	**9,422**	**14,318**
3 months minimum reserve	3,293	3,809	3,809	3,809

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **A0 Forest Practices Fund Exchange**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The Governor has requested that agencies submit GF-State reduction packages representing 15% of the agency's 2015-17 maintenance level budget. In response to that request, this proposal would exchange $8.2 million of GF-State currently funding the Forest Practices Act and Rules activity with $8.2 million of Aquatic Lands Enhancement Account (ALEA) funding. This proposal would result in maintaining critical public safety and environmental protection functions provided by the Department of Natural Resources (DNR) such as fire control, geological survey, forest practices and natural areas. Related to Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
001-1	General Fund - Basic Account-State	(4,079,000)	(4,079,000)	(8,158,000)
02R-1	Aquatic Lands Enhancement Account-State	4,079,000	4,079,000	8,158,000
Total Cost				

Package Description:

Summary -

The Governor has requested that agencies submit GF-State reduction packages representing 15% of the agency's 2015-17 maintenance level budget. In response to that request, this proposal would exchange $8.2 million of GF-State currently funding the Forest Practices Act and Rules activity with $8.2 million of Aquatic Lands Enhancement Account (ALEA) funding. This proposal would result in maintaining critical public safety and environmental protection functions provided by the Department of Natural Resources (DNR) such as fire control, geological survey, forest practices and natural areas.

This fund exchange is proposed following a complete review of DNR's GF-State programs and an assessment of the impact of a 15%+ reduction. The proposed ALEA exchange is the option with the least negative impact to public safety and protecting the environment. The use of ALEA to partially fund the Forest Practices program has been used by the legislature before, and DNR feels it meets ALEA statutory requirements. The fund exchange is sustainable over a 4 year period (15-17 and 17-19 biennia) per OFM guidelines.

DNR Functions with Partial GF-State Funding -

DNR provides stewardship of Washington State's natural resources by sustainably managing millions of acres of state lands and carrying out a variety of public safety, resource protection and conservation functions. These functions are partially funded by

GF-State and fall into seven components:

Program:	Activities in OFM Activity Inventory:
Fire Control and Prevention	Fire Control; Fire Regulation; Resource Protection; Correctional Camps
Forest Practices	Forest Practices Act and Rules; Adaptive Management; Small Forest Landowner
State Geological Survey	Geological Hazards and Resources
Land Management & Conservation	Natural Areas; Natural Heritage; Law Enforcement; State Lands Management -Leasing/Transactions
Central Service Agency Payments	Interagency Payments/Fund Transfers
GF-S Transfer to Ag Trust Account	Interagency Payments/Fund Transfers
All programs	Administration (fixed costs in supporting all agency activities)

Fire Control and Prevention - DNR is the state's largest on-call fire department, protecting nearly 13 million acres of private and state forestlands. DNR also monitors forest health and fire hazard conditions across the state, sharing technical and financial assistance with landowners and communities to improve forest health and reduce wildfire risks.

Forest Practices - DNR regulates forestry activity on all non-federal, non-tribal forestlands through the administration of rules developed by the State Forest Practices Board. These rules protect public resources by setting standards for logging, road construction, and other work on about 12 million acres of state and private forestlands.

State Geological Survey - DNR provides information about the state's geology for use by local governments, industry, and many others. DNR geologists compile and publish geologic maps, which are basic tools used by geologists, civil engineers, and planners. Planners also use DNR's geological data and interpretations to develop emergency management plans for earthquakes, volcanic eruptions, tsunamis and other natural hazards.

Land Management & Conservation:
* DNR manages a system of natural areas that protects representative examples of native ecosystems. The program includes 90 Natural Areas Preserves and Natural Resources Conservation Areas, covering more than 150,000 acres statewide. These lands are for conservation, research, and education for the benefit of all people of Washington State.
* The Natural Heritage Program documents native ecosystems and species and provides this information to landowners, public agencies, and conservation organizations.
* Two of the agency's 12 law enforcement officers are funded with GF-S due to a legislative enhancement in the 2013-15 biennial budget.
* Per RCW 79.13.510, the rate that amateur radio operators pay to rent an electronic repeater site on state lands is set at $100/year. DNR's management costs for the communications leasing function are primarily funded by a percentage of the revenues earned; a small amount of GF-State is used in the leasing program to pay for the difference between the subsidized rate and the market rate.
* The Asset Planning and Transactions Program coordinates DNR's participation in federal conservation grants such as Forest Legacy and Section 6. A small amount of GF-S is used to match the grant funds, cover expenses that cannot be funded by the grant, and monitor acquisition sites.

GF-State Transfer to Agricultural Trust Account - While DNR's costs for managing state lands to provide ongoing revenue for construction of public schools, universities, other institutions and counties are funded with a percentage of the total revenues, the one exception is the agricultural school trust; those management costs are funded by GF-State as a fund transfer to the Agricultural Trust Account. As a result, the beneficiary (Washington State University) receives 100% of the total revenues. The agricultural school trust 2015-17 revenues are projected to be $11 million.

Central Service Agency Payments - These are charges paid by DNR to central service agencies such as Department of Enterprise Services, Consolidated Technology Services, Secretary of State, Attorney General, etc. These charges are paid by a mixture of DNR funds, including GF-State, that reflects agency FTE charges by fund or the specific usage by DNR programs.

In the OFM Activity Inventory view of DNR's budget, administrative and indirect functions such as finance, IT, and human resources are partially layered onto the direct activities and partially assigned to the Administration activity. Agency administration costs are funded by a mixture of DNR funds, including GF-State, that reflect the actual FTE charges by fund across all of the non-administrative programs.

DNR's GF-State Budget -

DNR's 2015-17 maintenance level budget as submitted totals $428,217,000. DNR is primarily funded with non-GF-state dedicated funds whose revenue is either earned by DNR through its management of state lands or have dedicated fee or tax revenues. These funds make up about 77% of DNR's budget. Of the remaining 23% that is funded by GF-state, almost half is dedicated to emergency firefighting costs, leaving 13% of DNR's budget for its fire control and prevention, forest practices, geological survey and land management responsibilities.

DNR submitted maintenance level budget	$428,217,000
Non-GF-State dedicated funds	(330,914,000)
Total GF-State	97,303,000
Wildfire suppression (protected)	(42,916,000)
GF-State subject to Governor's 15% target	54,387,000
15% target	$8,158,000

Like many other state agencies, DNR has seen a substantial reduction to its GF-S appropriation since the recession began in 2008. Non-fire suppression GF-S funding levels have been reduced by approximately 33% since 2008; the reduction is closer to 40% if using 2008 dollars.

Options for Using Other Funds in Place of GF-State to Achieve 15% Target -

There are two requirements that must be met in order to propose substituting another fund in place of GF-State. First, it must be an appropriate use of that fund. The funds that make up DNR's non-GF-State budget all have statutory and/or constitutional limitations on how they can be used. The only DNR funds that passed this criteria were the Forest Fire Protection Assessment (FFPA), the Forest Practices Application Account (FPAA), the Forest and Fish Support Account (FFSA) and ALEA. FFPA could legitimately be used to replace GF-S in the fire control and prevention program; FPAA, FFSA and ALEA could legitimately be used to replace GF-S in the Forest Practices program.

Second, the fund balance for the proposed substitute fund must be able to cover the proposed increased spending level. OFM guidance on this option further limited this by requiring that any proposed substitution be permanent and sustainable (i.e. at least four years, covering both the 15-17 and 17-19 biennia). Of the four potential funds, only ALEA passed this requirement.

ALEA revenues and projected fund balance -

One of the funds for which DNR is the responsible fund manager is the ALEA fund. The revenues into the ALEA fund are generated by DNR's management of state aquatic lands, through a mixture of aquatic leases, easements and geoduck sales, and have totaled about $35 million per biennium. Historically DNR has been appropriated ALEA to partially fund its aquatic land management, forest practices and natural areas activities. The legislature has also appropriated ALEA to other agencies, such as the Washington Department of Fish and Wildlife, Washington Department of Agriculture, Recreation Conservation Office and the Puget Sound Partnership.

DNR's projections for the ALEA fund balance show that the proposed $8.2 million fund exchange can be supported by the fund over the next two biennium without impacting the carryforward level budgets of other state agencies as well as covering the fund's commitment to repay $3.6 million to the Cleanup Settlement Account for the Pt. Ruston capital project by June 30, 2021. A copy of this fund projection is attached.

The ALEA fund would maintain a positive variance (i.e. a fund balance above the 3 month working capital reserve) through the 2017-19 biennium. These numbers do not include any other new operating or capital ALEA appropriations for any agency; the projected fund balance shows additional capacity of about $750,000 in 2015-17 and about $5 million in 2017-19 that could be used to fund such appropriations.

Other Options Considered -

All of the agency's GF-S programs were reviewed, and the impacts of a GF-S reduction assessed. These impacts would be significant, given the GF-S reductions that have already been implemented over the past six years. A summary of these impacts is shown below in the "alternatives considered" section. DNR concluded that the ALEA fund exchange proposal would have the least negative consequences.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DNR would be able to maintain the current critical public safety and environmental protection activities that it currently performs. A reduction to these activities would result in increased risk to people, property and habitat.

Performance Measure Detail

Activity: A016 Forest Practices Act and Rules

Incremental Changes

No measures submitted for package

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

Retaining Forest Practices funding through this fund exchange, as opposed to a budget reduction, would maintain the program's support of DNR's 2014-17 Strategic Plan: Goal 3 - Deliver exemplary public resource protection through the Forest Practices Program.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes. Retaining Forest Practices funding through this fund exchange, as opposed to a budget reduction, would maintain the program's support to the Governor's priority initiative - Energy and Climate - by ensuring safe, clean water for healthy people and a strong economy as connected to the Clean Water Act. The Forest Practices rules, as implemented through the FP HCP, promote clean water and the greatest level of forestland protection to salmonid species ever negotiated in the nation.

Retaining Forest Practices funding through this fund exchange, as opposed to a budget reduction, would maintain the program's support to the Governor's Results Washington Initiative Goal 3 - Sustainable Energy and a Clean Environment - Working and Natural Lands.

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

Retaining Forest Practices funding through this fund exchange, as opposed to a budget reduction, would maintain the program's support to other agencies. Other agencies such as the Washington Department of Fish and Wildlife, Washington Department of Ecology, US Environmental Protection Agency, US Fish & Wildlife Service, and the National Oceanic and Atmospheric Administration-Fisheries, rely upon the Forest Practices Act & Rules to safeguard public resources and public safety. The Forest Practices Program and Forest Practices Habitat Conservation Plan represent the state of Washington's framework for complying with Endangered Species Act requirements for salmonid protection and recovery, and Clean Water Act requirements in the forested environment. The Forest Practices Program is a key component in supporting the Puget Sound Action Agenda's strategic initiative to Protect and Restore Habitat.

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

To achieve a 15% GF-S reduction there are only two general approaches.

The first is to identify viable options in which other funds could be substituted for current GF-State. A viable option requires that the use of another fund is within the statutory/constitutional limits for that fund, and that the additional expenditure could be covered within projected revenues and fund balances over a four year period. Our assessment found that there was only one option that would meet these requirements - the exchange of ALEA for GF-S within the Forest Practices program. A more detailed description of this review is contained in the Package Description section, above.

The second is to make significant reductions to DNR's critical GF-State-funded activities. The following options were considered and ranked lower than our ALEA proposal for the following reasons -

A reduction to DNR's Fire Control and Prevention program would reduce critical resources used to reduce the number of wildfires and keep as many as possible small in order to protect public safety, reduce property damage and save costs that are historically inherent in large wildfires. Fewer fire crews could be fielded and support to landowners in reducing their fire risks would also be reduced.

A reduction to DNR's Forest Practices program would reduce the resources for reviewing and enforcing Forest Practices Application Permits, increasing the risk of negative environmental impacts.

A reduction to DNR's State Geological Survey would reduce our ability to produce hazard maps and other information provided to other state and local agencies and the general public regarding earthquake, tsunami, landslide, volcanic and other geologic hazards.

A reduction to DNR's Land Management and Conservation would reduce our capacity for maintaining Natural Areas and Natural Resource Conservation Areas, leading to reduced public access and/or increased degradation; reduce our law enforcement presence on DNR-managed lands; reduce our ability to maintain Natural Heritage information and provide information to local governments and businesses on land use impacts; and reduce our ability to leverage federal funding for conservation lands.

A reduction to the GF-S transfer to the Agricultural Trust Account would reduce the land management activities - timber sales, silviculture, etc. - on those trust lands, which in turn would ultimately result in a reduction of revenues to the beneficiary (Washington State University).

A reduction to Interagency Payments would require either a reduction in the service level from the central service agencies - less Attorney General Office time, reduced IT capacity, etc. - which would in turn negatively impact the productivity of all of DNR's programs or a reduction of the cost of those services through efficiencies etc. on the part of the provider agencies.

The functions contained in the Administration activity are the "fixed" costs of administrative programs such as IT, Finance, etc. In order to achieve reductions in these costs, there would need to be efficiencies or other changes made in statewide systems or processes.

Of all of these options, the ALEA fund exchange option was chosen as having the least negative impact to DNR, the state, and the general public.

What are the consequences of adopting or not adopting this package?

DNR would be able to maintain the current critical public safety and environmental protection activities that it currently performs and avoid an increased risk to people, property and habitat.

If this proposal were adopted, there is only approximately $750,000 of uncommitted usable ALEA fund balance to fund any other new operating or capital appropriations in 2015-17. Thus a consequence of this package is the foregoing of those potential new deliverables or activities. As the fund manager, DNR believes maintaining its critical public safety and environmental protection activities are a higher priority use of available ALEA dollars than those potential new deliverables.

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

The state has historically appropriated ALEA dollars to the Recreation and Conservation Office (RCO) for its ALEA grant program. As noted above, there would be insufficient ALEA dollars to fund RCO new appropriations at the historical levels of about $6 million per biennium. There is over $4 million of 2015-17 reappropriated ALEA capital included in the fund balance assumptions. Options regarding further appropriations could include deferring a new appropriation to 2017-19 or funding a new appropriation with different funds (the legislature has used SBCA in the past.)

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

None.

Expenditure and revenue calculations and assumptions

Costs would shift from GF-State to ALEA.

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

The fund exchange is considered ongoing. This would increase statewide committed ALEA funds by $8.2 million per biennium plus whatever statewide inflationary factors occur.

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N0 Geological Hazards and LiDAR**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

Washington suffers physical and economic harm annually from our many geological hazards. In order to best inform public policy decisions and reduce public and economic risk, Washingtonians need high-quality data about geologic hazards. The lack of current, high-quality geologic hazard data hampers efforts under the Growth Management Act (RCW 36.70A) and other policy initiatives to account and plan for these hazards. Development and access to improved geological hazard assessments would significantly enhance and support critical decisions. This investment allows for the collection and analysis of LiDAR data and development of geological maps and databases for fully informed decision making.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	3,358,000	3,226,000	6,584,000
Total Cost	**3,358,000**	**3,226,000**	**6,584,000**

Staffing	FY 2016	FY 2017	Annual Average
FTEs	14.0	14.0	14.0

Package Description:

The natural beauty of Washington, including its lush vegetation, hides many serious geologic hazards that present risks to public safety as well as the State's economic interests. Washington is one of the most at-risk states for a variety of geological hazards including earthquakes, volcanoes, tsunami, and landslides. According to the Federal Emergency Management Agency (FEMA), Washington is the second most at-risk state for earthquakes. The active subduction zone off the Washington coast can cause a magnitude 9 earthquake and deliver a tsunami to the coastal area in fewer than 30 minutes. The U.S. Geological Survey (USGS) calls Mount Rainier the most threatening volcano in the Cascades and largely due to the size of the at-risk population. The State also has hundreds of thousands of known and unknown landslides, one of which resulted in the most fatalities (43 fatalities, SR530 Landslide, 2014), and another that caused the most homes destroyed (137 homes destroyed, Aldercrest-Banyon, 1998) in United States history. Additionally, landslides, sometimes numbering in the hundreds, disrupt Amtrak and vehicle travel every winter. According to the USGS, landslides remain poorly documented because they are reported as part of a larger triggering event, such as floods, earthquakes, or windstorms. In addition, recent earthquake and tsunami events in other parts of the world such as Japan (2011), Chile (2010), and Sumatra (2004) have highlighted the important role and need for better and more compelling information that can help prevent or minimize the loss of life, devaluation of property, and other serious disruptions to Washington's economy.

Washington lacks sufficient accurate geological information, LiDAR (Remote sensing technology that measures distance by illuminating a target with a laser and analyzing the reflected light used to examine the surface of the earth to make high-resolution maps), and robust geological databases for cities, counties, state agencies and the public to make important permitting, land-use,

building code, and other critical decisions. It can be extremely difficult to plan or mitigate for an existing hazard if that hazard is not identified and documented. Washington citizens also want better information about the geologic hazards around them.

This package will allow for the Department of Natural Resources (DNR) to develop and maintain up-to-date LiDAR and geological databases used for critical decision making. Currently, DNR has only two geologists devoted to geologic mapping and three geologists devoted to geologic hazards (earthquakes, tsunamis, landslides, volcanoes, and abandoned coal mines) statewide. Other FTEs provide geographic information system (GIS), publication, and data management support. All positions are partially funded by federal grant dollars making them vulnerable. Data and information developed through this package will greatly improve our knowledge of geologic hazards and the risks associated with them. This information will be communicated to local governments, state agencies, tribes, federal government and the public. It will also allow for focus on the most at risk and costly hazards.

DNR will collect data, develop extensive geological hazards GIS maps based upon that data, and make it available for the public and governmental entities engaged in critical decision making processes. GIS maps, LiDAR and subsurface data would be made available online on web pages, the Geology Interactive Portal and mobile application products. These data and maps will provide information that could potentially save lives and reduce economic losses from landslides, volcanoes, earthquakes and tsunamis.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DNR will substantially increase its geologic hazards deliverables per quarter. These products will include regionally comprehensive landslide inventories, susceptibility and hazard map products, seismic hazard products such as liquefaction, active fault and risk maps, tsunami inundation maps and models, and volcanic mudflow maps. There would be extensive communication with counties, cities, state agencies, tribes, and the public to help them understand geological hazards. DNR's desired result will be land-use planning and other local policies that account for geologic hazards and reduce the risk associated with those hazards. DNR will coordinate funding, acquisition and storage of State LiDAR data with the desired outcome of higher quality and more geographically extensive data available for developing high-resolution geological hazard maps and databases.

Specifically DNR will:
* provide support and data for others in the interpretation and use of LiDAR data;
* produce regionally comprehensive landslide inventories, susceptibility, hazard, and risk maps and GIS databases for use by local and state government;
* respond to landslide emergencies as they arise and provide technical assistance to local government during landslide and other geological hazard events;
* document and investigate the geological causes of landslides;
* create a better understanding of landslides and how to reduce their occurrences and impacts as well as educate and promote outreach to local jurisdictions prior to and after publication of landslide GIS data and maps to ensure appropriate interpretation of the information to allow for accurate incorporation in Critical Area Ordinances (CAOs) and other policy instruments. The desired outcomes for the landslide program is a reduction of losses due to landslide hazards;
* update the seismic scenario catalog for the State to support local jurisdictions in creating mitigation plans. Priority analyses would focus on the 20 most important seismic scenarios in the state;
* publish databases necessary to implement seismic provisions of building codes and to accurately interpret seismic recordings in real time to allow for quicker response to events;
* develop liquefaction and site class maps for counties and cities for appropriate identification for earthquake hazard CAOs;
* develop 3D geologic models-tools used to enhance the conservation of resources such as groundwater and active fault identification and assessment;
* develop a database that enables the Pacific Northwest Seismograph Network to calibrate their seismic recordings, leading to improved seismic hazard analysis;
* collect geological and seismic data at schools for contribution into the school seismic safety analysis;
* work with local jurisdictions on implementation of these tools in CAOs and mitigation plans with a desired outcome of a reduction of losses from earthquakes and more effective response after an earthquake;
* complete tsunami evacuation maps for all coastal communities;
* disseminate all products to at-risk tsunami communities;
* support local-, regional-, and state-level tsunami planning through workshops, plan reviews, and exercises;
* with local governments, develop programs of public education to increase awareness of-and preparedness for-damaging tsunamis;

* provide communication infrastructure to ensure tsunami warnings are effectively received in at-risk communities;
* in collaboration with technical partners and local governments, perform detailed inundation modeling for the design of tsunami evacuation refuges;
* develop foundational geologic maps and database that support the geological hazards program and local and state government; and
* develop and maintain an internet-accessible subsurface geotechnical database for the state, including data from geotechnical work, geophysical surveys, and other deep wells to provide easily accessible and better resource assessments, hazard maps, and databases.

Currently, DNR is able to publish four maps each year. This additional funding will increase the productivity to 12 maps each year.

Performance Measure Detail

Activity: A045 Geological Hazards and Resources

		Incremental Changes	
		FY 2016	FY 2017
	Output Measures		
001224	Number of geologic hazard assessments completed and communicated to the affected local government(s).	8.00	8.00

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

Yes. This request supports the following components of the DNR Strategic Plan.

Goal 2.B - Improve Washington's ability to understand and plan for natural hazards:

Goal 2.B.1 - Work with the legislature to obtain sufficient resources to collect essential geologic information, including LIDAR data, and develop a statewide database to facilitate the assessment of geological hazards.

Goal 2.B.2 - Provide technical assistance, as resources allow to state and local government agencies on interpretation and application of geologic hazards information.

Goal 2.B.3 - Work with local governmental partners to conduct outreach to inform the public of geologic hazards. As part of this effort, update and maintain publicly accessible geologic information using appropriate technologies.

Goal 2.B.4 - Ensure DNR has capability to respond to complex geologic incidents and disasters.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

As a result of the SR530 landslide, Governor Inslee formed the Joint SR 530 Landslide Commission as a priority. The Governor stated: "one of government's key roles is to promote public safety". By funding this proposal, DNR can prepare and support public safety by providing essential information on landslides, volcanos, earthquakes, and tsunamis.

It also supports the Governor's priority, Energy and Climate. We are taking steps forward to tackle one of our greatest challenges-climate change. This proposal will support geologists so DNR can continually update maps that reflect the geologic changes and hazards caused by climate change.

This proposal supports two of the Governor's Result Washington priorities-"Healthy and Safe Communities" and a "Prosperous Economy". Funding of this proposal will allow DNR to inform and support decisions that provide for public safety and protection of the economy by collecting and analyzing geologic data on active faults and other natural hazards. It also allows us to provide outreach to governments, tribes, and the public.

This proposal also supports the "Resilient Washington State Initiative" (http://www.emd.wa.gov/about/documents/haz_FinalRWSReport.pdf), a plan to preserve Washington's economic vitality after a catastrophic earthquake. It also contributes to helping "keep people safe in their homes, on their jobs, and in their communities".

Geological data will be used to inform Washingtonians of faults, landslides, post-wildfire debris flows, and many other potential disasters. These data can significantly inform and support the responsible management of working and natural lands, building a legacy

of responsible resource stewardship for the next generation of Washingtonians.

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

No stakeholders should oppose this investment, as the information developed will support government entities, commercial enterprises, developers, and the public. This proposal addresses hazards throughout the State, including the Puget Sound Basin. This work is of particular importance in Puget Sound Basin as it is Washington's most populated area and at risk from several types of geological hazards. DNR's geological hazard work is of use to other agencies because there can be tremendous degradation to infrastructure, waters, and the environment from earthquakes, tsunami, volcanoes, and landslides. For example, the Washington State Department of Transportation (DOT) will use the resulting information to mitigate debris flows and landslides that commonly impact highways. Earthquakes and tsunamis can also have significant impact bridges and highways. The Departments of Ecology and Health, as well as the Puget Sound Partnership need this information, as geological hazard events directly impact water quality and the environment. This information is also used in community and highway planning as well as emergency response.

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

DNR looked at: 1) no action; and 2) reduced proposal as alternatives to the proposed work.

1) No action -
Pros: No additional resources invested.

Cons: If LiDAR data is not collected and analyzed, it will limit the information available to state and local agencies in decision making regarding land use, flooding, transportation, and impacts of geological hazards. Without interpreted LiDAR and geological hazard maps there is higher risk associated with not defining tsunami inundation zones and evacuation routes, earthquake liquefaction zones and landslide hazards. This lack of knowledge can increase risk to population, critical infrastructure and the economy.

The Growth Management Act rules for geologically hazardous areas at WAC 365-190-120 recommend classifying these hazards areas into three risk-based categories: 1) known or suspected risk; 2) no known risk; or 3) unknown risk (or an absence of information to assess risk). An absence of detailed geological hazard GIS maps increases the likelihood of land being classified as unknown risk, generally causing local jurisdictions to require an applicant for land-use permits to make a significant expenditure to demonstrate a lack of risk.

The potential risk associated with geologic hazards significantly outweigh the cost of funding a state geologic survey able to develop the information necessary for local governments and others to address that risk. Annualized losses are well over $400 million for geological hazards. Specifically, losses estimated for a Cascadia subduction zone earthquake event is estimated at more than $50 billion and more than 10,000 deaths (FEMA, 2011); a M6.7 Seattle Fault earthquake is estimated at more than $33 billion, with more than 1,600 fatalities and more than 24,000 injuries. FEMA (2008) estimated that annualized direct losses from all earthquake sources in Washington are $336 million. Loss of life and economic losses substantially increase that number. For example, using FEMA's statistical life calculator for benefit cost analysis, 10,000 fatalities would equate to a $60 billion loss. The annualized loss estimate from a Cascadia tsunami is much greater than $12 million in property damage. This is in addition to the loss estimate from earthquakes, and again, does not include thousands of fatalities and associated economic losses. An average annual loss from landslides over the last 30 years is $30 million-although the SR 530 landslide will be much higher-and to date, more than $80 million has been spent this year, and in addition to these funds, U.S. Department of Transportation awarded the DOT $35 million for emergency repairs of SR 530. Annualized losses from volcanoes in Washington are greater than $10 million, again not including fatalities. The 1980 Mt. St Helens eruption took 57 lives.

2) Reduced proposal -
Pros: Less cost.

Cons: In addition to the Cons stated for the no-action alternative, the State Geological Survey will be less effective without adequate capacity to collect and provide the data necessary for decision makers to account for and address the risks created by geological hazards. The time frame in which it would take to develop better data and information would be extended.

What are the consequences of adopting or not adopting this package?

Adoption of this package would result in more extensive and robust databases, geological products, and technical assistance supporting decisions that are directly associated with the risk of geologic hazards. Additionally, LiDAR has many uses other than earthquake and landslide hazard analysis, such as floodplain management, zoning enforcement, land-use change detection, resource evaluation, forest

inventory, and surveying.

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?

DNR would need to modify RCWs to:
1) Make DNR lead on LiDAR acquisition, storage, and serving data to public.
2) Require submittal of geotechnical reports done for public agencies be submitted to DNR for inclusion in databases.

Expenditure and revenue calculations and assumptions

LiDAR -

In fiscal year (FY) 2016 and ongoing, LiDAR work will require 1.0 FTE Natural Resources Scientist (NRS) 3 and 1.0 FTE Information Technology Specialist (ITS) 4 (database manager). These two positions will establish a state agency (DNR) that is the lead for LiDAR collection, storage, and dissemination of information and products in a cost-effective manner.

These staff will: 1) issue a Request For Proposals (RFP) and coordinate with DES in the potential establishment of a statewide LiDAR contract spanning multiple years; 2) manage individual contracts; 3) leverage with other land owners, federal, state, and local agencies to reduce costs and allow for more area to be flown; 4) make LiDAR available to all, and 5) become the State's LiDAR experts, building relationships with tribes and federal, local, and state governments. Staff will be tasked with contract administration, finding partners, determining which areas are needed for LiDAR, QA/QC of data, data storage, and establishing format for serving data. Typical products that will be made available are a shaded relief maps, slope aspect maps, slope maps, curvature, and landforms related to slope stability (i.e. rule identified landforms).

Priorities for future LiDAR flights are based on: 1) risk to population and infrastructure; and 2) the geology of Washington. Some of the top priority areas are in the Puget Sound Basin and parts of Whatcom, Skagit, Snohomish, and King counties. These areas will be targeted first, due to their high population and infrastructure at risk from landslides and earthquakes and many active faults. While there is lower population in eastern Washington, there are many active faults and folds that threaten critical facilities such as dams and the Hanford site. For example, the 1872 earthquake near Entiat, Washington was the largest shallow earthquake in historic times. It triggered a landslide that dammed the Columbia River at Earthquake Point near Entiat on Highway 97. Our understanding of the faults of eastern Washington needs improvement and LiDAR and analysis are the first steps. LiDAR will be instrumental in finding the exact location of surface rupture of faults that are obscured quickly by weathering and erosion.

Costs starting in FY 2016 include staff and associated costs, travel costs, one-time equipment costs estimated at $3,800, a personal personal services contract for an estimated $1,200,000 in FY 2016 and each year thereafter based on experience and expertise in the program. In addition, ongoing IT data storage costs for an estimated $102,000 in FY 2016 and $153,000 in FY 2017, and will increase to $204,000 each year thereafter. Total biennial costs for LiDAR will be 2.0 FTE and $1,597,000 in FY 2016 and 2.0 FTE and $1,630,000 in FY 2017. Ongoing costs starting in FY 2018 will be 2.0 FTE and $1,681,000 each year.

Landslides -

In FY 2016 and ongoing, DNR will require 1.0 FTE NRS 4, 2.0 FTE NRS 3s and 2.0 FTE NRS 2s for their Landslide Program. Currently there is 1.0 NRS 3 geologist in this program, that is partially funded by grants. Each scientist/geologist will play a key role in the interpretation of data, development of hazard assessments and GIS databases, and communication of information. The hazard assessment entails not only identifying previous landslides, but relies on the deriving material properties from our geological maps to better characterize risk.

The NRS4 (supervisor) will need to have an engineering geologist license and have extensive experience in landslide geology, databases, and GIS, and will provide crucial guidance to staff and ensure consistency.

The NRS2 geologists are entry-level positions and will analyze and interpret LiDAR and other imagery, and field verify and assess hazard for assigned geographic areas under the supervision of licensed geologists. They will also assist the three NRS3s in producing hazard products such as landslide inventories, susceptibility, hazard, and risk maps, and GIS databases.

Public safety will be one of the main objectives, so initial mapping will focus on infrastructure, residences, and transportation corridors. Staff will work with cities and counties to educate and provide outreach to local jurisdictions prior to and after publication of landslide GIS data and maps to ensure appropriate interpretation of the information ensuring accurate incorporation in CAOs and other policy instruments. One position will create a statewide GIS database and maps that would be available online. One geologist will help with web development and improve forecasting of regionally extensive shallow landslide events such as the 2007 and 2009 debris flow events. The forecasting tool will aid in anticipating emergency response needs by local emergency responders and DOT. A portion of each position of the landslide group will: 1) respond to landslide emergencies as they arise; 2) provide technical assistance to local government; 3) document and investigate the geological causes of landslides; and 4) create a better understanding of landslides and how to reduce their occurrences and impacts. Another portion of each of the positions in the landslide group will monitor precipitation and debris flow hazards in areas recently subjected to wildfires. Staff will be busiest when wildfires interact with the urban interface and where infrastructure and public safety may be impacted by post-wildfire debris flows. Some of the priority areas with high risk are the lower elevations of the Cascades, Puget Sound Basin, periphery of the Olympic Mountains, Columbia River Gorge, and the Willapa Hills.

In FY 2016, staff and associated costs for 5.0 FTE, one-time equipment costs estimated at $68,000 for two vehicles and laptop computers, and travel costs will be $760,000. Starting in FY 2017, ongoing costs will reduce to 5.0 FTE and $658,000 each year.

Earthquakes -
In FY 2016 and ongoing, DNR will require 1.0 FTE NRS 3 for their Earthquake Program. Currently, there is 1.0 FTE NRS 3 in this program, and it is partially funded by grants. Both geologists will: 1) update the seismic scenario catalog, which is the guiding document for local jurisdictions to create mitigation plans that are appropriate to the seismic hazards they face in their area; 2) publish the borehole and shearwave database-which are the data necessary to implement seismic provisions of the building code-and to properly interpret the seismic recordings of earthquakes in real time that allow for quicker response to events; 3) develop liquefaction and site class maps for counties and cities-these are the appropriate identification tools for earthquake hazard CAOs; 4) develop 3D geologic models-tools used to make geologic maps that enhance the predictive value of surface geology-for assessment and conservation and for resources such as groundwater and active fault identification and assessment (identifying active faults is best done by starting with LiDAR analysis followed up with field investigations); 5) compile data into a database that supports hazard mapping and also enables the Pacific Northwest Seismograph Network to calibrate their seismic recordings, leading to improved seismic hazard analysis; 6) collect geological and seismic data at schools for contribution into the school seismic safety analysis method; and 7) work with local jurisdictions on implementation of these tools in CAOs and mitigation plans. The Puget Sound Basin is one of the highest risk areas for earthquakes, and as such, work will be prioritized in this area.

In FY 2016, staff and associated costs for 1.0 FTE, one-time equipment costs estimated at $1,900, and travel costs will be $146,000. Starting in FY 2017, ongoing costs will reduce to 1.0 FTE and $137,000 each year.

Tsunamis -

In FY 2016 and ongoing, DNR will require 1.0 FTE NRS 3 for tsunami hazard assessment, planning, preparedness and hazard mitigation among Washington's coastal communities. Currently, there is 1.0 FTE (NRS 4) in this program, and it is partially funded by grants.

Staff will complete tsunami inundation modeling (based on reasonable earthquake scenarios and associated anticipated tsunamis), mapping, and dissemination of all products to Washington's coastal communities. To date, only about one fourth of the coast has been modeled and much of it with inadequate LiDAR and bathymetry. This is problematic because lower resolution inputs results in lower resolution outputs. Higher resolution output is needed to make preliminary structural designs for vertical evacuation structures, such as the Ocosta Elementary School that will be built this fall, to provide tsunami evacuation for up to 1000 people. Higher resolution output also allows for evacuation routes that are more likely to be successful. Additionally Washington's industry and population is concentrated in the Puget Sound Basin; it is at risk from tsunami inundation and has not been fully evaluated.

These staff will: 1) complete tsunami evacuation maps for all coastal communities; 2) disseminate all products to at-risk tsunami communities; 3) promote local-, regional-, and state-level tsunami planning through workshops, plan reviews, and exercises; 4) promote wise land-use planning in coastal areas to mitigate tsunami hazards; 5) develop programs of public education to increase awareness of-and preparedness for-damaging tsunamis; 6) provide communication infrastructure to ensure tsunami warning is effectively received in at-risk communities; and 7) in collaboration with technical partners and local governments, perform detailed inundation modeling for design of tsunami evacuation refuges.

In FY 2016, staff and associated costs for 1.0 FTE, one-time equipment costs estimated at $1,900, and travel costs will be $146,000. Starting in FY 2017, ongoing costs will reduce to 1.0 FTE and $137,000 each year.

Geologic Mapping and databases -

In FY 2016 and ongoing, Geologic Mapping and database creation will require 1.0 FTE NRS 4. Currently, there are 2.0 FTE NRS 3s in this program and they are partially funded by grants. Geological maps provide the foundation and basic data for more focused geological hazard studies as they detail the physical properties of the hazardous area and its surroundings. Geological map units are characterized by permeability, porosity, strength, and other physical properties that are essential to assign hazard values. Geological maps benefit greatly from LiDAR because they can accurately show the boundaries and elevation of geological formations, locations of streams, slope changes, and ridge crests which are functions of the underlying geology.

These staff will map quadrangles that include original surface and subsurface mapping, locations of faults, and compilations of existing data at different scales throughout the state. Geologic maps support: 1) DNR's ability to locate and develop water resources; 2) assess and protect groundwater quality; 3) safely site solid and hazardous waste disposal facilities; 4) construct, restore, maintain, and protect sensitive ecosystems; and 5) identify and prepare for such natural hazards as earthquakes, volcanic eruptions, landslides, and land subsidence. These maps form the foundation of all other mapping efforts resulting in more thorough, informative products used for a variety of purposes. Much of our geological mapping is done in the Puget Sound Basin; this supports the development of geological hazard maps in this area.

In FY 2016, staff and associated costs for 1.0 FTE, one-time equipment costs estimated at $1,900, and travel costs will be $156,000. Starting in FY 2017, ongoing costs will reduce to 1.0 FTE and $147,000 each year.

Geotechnical (Subsurface) Geology -

In FY 2016 and ongoing, DNR will require 1.0 FTE NRS 3 for a geotechnical geologist to maintain a subsurface geotechnical database for the state. Geotechnical geologists drill boreholes for many purposes, and do numerous physical measurements and lab tests that quantify rock properties. The data obtained from these boreholes are useful in many ways and should be made accessible in a statewide database. Geotechnical reports are prepared for local and state government for decision making-typically done for permitting decisions-and are part of the public record, yet not necessarily retained or easy to access. These data are fundamental and necessary to produce quality hazard maps. This will entail collecting and evaluating geotechnical borehole reports and geologist descriptions that are placed into a database that is available online.

This position is intended to continue work in combining existing and new digital surficial geologic data and subsurface digital data obtained from geotechnical work, geophysical surveys, and other deep wells into a seamless online presentation. This system will be useable by a wide variety of users for purposes other than geological hazards including: land-use planning, emergency response planning, geotechnical analysis, aquifer characterization, resource evaluations, and earth science education. To date, all work on DNR's existing subsurface geotechnical database has been supported by Federal grants.

In FY 2016, staff and associated costs for 1.0 FTE, one-time equipment costs estimated at $1,900, and travel costs will be $146,000. Starting in FY 2017, ongoing costs will reduce to 1.0 FTE and $137,000 each year.

Management and Support -

In FY 2016 and ongoing, DNR will require 1.0 FTE WMS Band 2 (Assistant Division Manager) to maintain an effective span of control. Currently there is no Assistant Division Manager supervising the hazards program. Also required will be 1.0 FTE Scientific Technician 2 to provide adequate technical lab and office staff support and 1.0 FTE ITS 3 for database management and support. This position will be the data steward and maintain the integrity of the digital files in GIS and other formats, ensure information is stored efficiently, and allow user access to data as needed.

In FY 2016, staff and associated costs for 3.0 FTE, one-time equipment costs at an estimated $6,300, and travel costs will be $408,000. Starting in FY 2017, ongoing costs will reduce to 3.0 FTE and $381,000 each year.

Agency administration cost is calculated at 27% and shown as Object T.

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

All costs are ongoing except for equipment.

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	933,000	933,000	1,866,000
B	Employee Benefits	319,000	319,000	638,000
C	Professional Svc Contracts	1,200,000	1,200,000	2,400,000
E	Goods\Other Services	364,000	324,000	688,000
G	Travel	78,000	72,000	150,000
J	Capital Outlays	85,000		85,000
T	Intra-Agency Reimbursements	379,000	378,000	757,000
Total Objects		**3,358,000**	**3,226,000**	**6,584,000**

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N1 Increase Fire Response Capability**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

Rapid aggressive initial attack with adequate resources keeps wildfires small and minimizes impacts to GF-State. Containing fires protects lives, property and habitats. Trends point to longer fire seasons and increased probability of wildfire starts in light of a warming environment. Recession budget cuts combined with the impacts of inflation over the past six years have resulted in reduced wildfire suppression capacity. The Department of Natural Resources (DNR) requests funding to restore some of this firefighting capacity via increased fire engine staffing, additional specialized Helitack crews, enhanced aerial initial attack capacity and safety, and increased coordination and business support.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	2,465,000	1,990,000	4,455,000
Total Cost	**2,465,000**	**1,990,000**	**4,455,000**

Staffing	FY 2016	FY 2017	Annual Average
FTEs	21.8	21.8	21.8

Package Description:

DNR is the largest on-call fire department in the state and is responsible to fight wildfire on 13 million acres of state-owned and private forest land. Restoring engine and Helitak crews will improve DNR's initial attack on wildfires. Containing the spread of fires reduces the overall costs of wildland fire suppression. DNR strives to contain wildfires to a size of ten acres or less whenever possible. Aggressively fighting and containing fires as quickly as possible minimizes the duration of fires and the extent of property burned.

Recession budget cuts combined with the impacts of inflation over the past six years has resulted in reduced wildfire suppression capacity. DNR requests funding to restore some of this firefighting capacity via increased fire engine staffing, additional specialized Helitack crews, enhanced aerial initial attack capacity and safety, and increased coordination and business support. These resources will greatly enhance initial attack capacity. The components of this proposal are listed below.

Fire engine crews: DNR currently staffs 98 fire engines with 3-person crews (1 Engine Boss and 2 Firefighters/ crew). This proposal will increase DNR's initial attack capacity to 108 engines by adding 10 part-time Engine Boss (NR Worker 2) positions and 20 seasonal Firefighter positions (10 more 3-person crews). The 10 new crews will use engines that are already owned by DNR and currently utilized as reserves.

Engine supervision and incident command: To manage and provide supervision and Type 3 or 4 incident command for engines at the region unit level, two additional FTEs (NR Specialist 2) are requested. A third Fire Management Specialist FTE (NR Specialist 3)

position is requested to coordinate local fire response with regions, and facilitate region, statewide and interagency relations.

Helitack crews: A Helitack crew is a specialized crew with additional training in helicopter operations (deploying water drops, etc.). These crews are stationed with the helicopters to facilitate rapid deployment. This proposal will add seven seasonal Firefighter positions, which will restore DNR's Helitack coverage to 5 crews on rotation 7 days/week .

Aerial initial attack capacity and safety: One FTE (Aircraft Mechanic Supervisor) is requested to be responsible for oversight and operational quality control of DNR helicopters (distinct from hangar operations, parts management, goods and services contracts, and other administrative Aircraft Mechanic duties); and .25 FTE Helicopter Coordinator (Natural Resource Specialist 2) is requested to repair and restore essential Helitack equipment (buckets, lines, restraints, etc.)

Aviation Safety: Also requested are additional enhancements in aviation safety including increasing training time for pilots, repairs and safety improvements at the Olympia Airport hanger, purchasing a portable aircraft shelter to protect helicopters from weather during the fire season, and supporting an internal team to conduct a careful analysis of options to meet the long-term needs of DNR's fire aviation program.

Business Support: To improve efficiency in handling the business management of firefighting, DNR is also requesting two FTEs (Fiscal Analyst 2) to strengthen fire billing and records management in the regions, and one FTE (Cartographer 3) to serve as a dedicated GIS Specialist in Olympia to ensure proper IT integration of data with fire maps.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

A more rapid response with sufficient resources to ensure wildfires are contained to ten acres or less 95 percent of the time, and to reduce the overall cost of fire suppression. Funds will be used to place additional resources in strategic locations in eastern Washington. This reduces response delays as conditions change during the fire season.

Performance Measure Detail

Activity: A011 Fire Preparedness - Training and Forest Fire Protection Assessment — **Incremental Changes**

No measures submitted for package

Activity: A013 Fire Suppression — **Incremental Changes**

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' 2014-17 Strategic Plan as follows:

Goal 2A: Protect Washington's Communities and Natural Resources from Wildfire and other Natural Hazards.

Strategy 1 : Coordinate and target efforts to minimize human-caused wildfire starts;
Strategy 2: Suppress Wildfires Safetly, effectively, and cost-effectively;
Strategy 5: Improve DNR's capabilities to respond to complex incidents and disasters.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes. This proposal supports the Governor's Results Washington priority of Healthy and Safe Communities: Wildland fires put human lives at risk and have the potential to cause substantial loss to property and critical infrastructure. DNR strives to keep losses to a

minimum by strategically positioning DNR's fire resources, equipment and support teams and personnel throughout the state.

This proposal supports the Governor's Economy Priority. The Governor is committed to protect and manage scarce resources: land, water, energy, labor, capital, and credit.

This proposal indirectly supports the Governor's Budget Priorities, including the following:
* Make significant and targeted investments in education to meet our constitutional obligations under the McCleary decision through the protection of trust land resources that generate revenue for K-12 schools.
* Promote policies and opportunities to grow jobs.
* Prepare Washington for a vibrant, thriving economy.

Implementation of this package involves efficient firefighting, which serves to enhance the protection of education linked revenue in the form of the state's natural resources. Facilities vital to the Governor's Education Priorities come to fruition through revenue generated by the resources that DNR protects. Adding personnel to the Program as proposed is a small but deliberate opportunity to grow jobs. Effective wildland firefighting safeguards related industry, which plays a vital part in a productive state economy.

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

DNR's firefighting mission is essential to maintain Washington's forests for current and future generations, and to protect trust revenue from State forests that supports schools, universities, and local governments.

DNR accomplishes its fire protection mission in cooperation with local, federal, tribal and international firefighting agencies and relies heavily on private sector resources. When any of the partners' resources are inadequate, firefighting response capabilities of the cooperating agencies are adversely affected. Prompt and aggressive initial attack on fires depends upon all regional cooperating agencies, including DNR, having sufficient resources, especially during highly active fire seasons.

Although effective wildland firefighting is seldom linked directly to the health of Puget Sound, the after effects of wildfire, such as flooding and barrenness of earth do affect ecosystems beyond the immediate vicinity of the burn scar. There is no direct link between this package and other agencies concerned with ecological impacts, but an argument can be made that effective wildland fire suppression benefits agencies that are focused on watersheds, aquatic lands, and uplands.

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

DNR participates actively in federal property surplus programs to reduce the costs of specialized firefighting equipment. The "militia" strategy utilizes DNR's regular workforce, supplemented by seasonal DNR firefighters and private contractors. The efficiency of this approach was validated by a 2013 legislatively-directed review conducted by the Washington Institute for Public Policy.

DNR continues to explore different alternatives to maximize suppression resources. The full staffing of existing engine and helicopter resources is the most cost effective method of having a positive impact on DNR's fire suppression mission.

What are the consequences of adopting or not adopting this package?

DNR will have improved ability to aggressively attack wildfires to try to contain wildfires to ten acres or less during all but the most active periods of fire occurrence. The additional staffing will enable an increased number of engines and helicopters to be staffed during lightning episodes and increase the response capability during elevated burning periods when additional suppression force is required. A reduced number of large fires will lower the risk of loss of life, property/community damage, and loss of timber resources. Fewer fires escaping initial attack will decrease suppression costs which often require DNR to submit supplemental requests for additional GF-S funding to the legislature.

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

Salaries and benefits are included for 21.75 FTEs. These consist of 9.0 FTE Forest Fire Fighters (27 seasonal), 5.0 FTE NR Worker 2, 2.0 FTE Fiscal Analyst 2, 1.0 FTE Cartographer 3, 1.0 FTE NR Specialist 3, 2.5 FTE NR Specialist 2, 1.0 FTE Aircraft Mechanic Supervisor, and .25 FTE for pilot training.

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

Equipment includes 12 PCs, three vehicles, and a portable aircraft shelter.

Agency administrative costs are calculated at 27 percent and shown as object T.

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

$303,000 for equipment, $50,000 of travel and $102,000 of Goods and Services in the first fiscal year will be one-time costs; all other costs will be ongoing.

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	779,000	779,000	1,558,000
B	Employee Benefits	361,000	361,000	722,000
E	Goods\Other Services	393,000	291,000	684,000
G	Travel	218,000	168,000	386,000
J	Capital Outlays	303,000		303,000
T	Intra-Agency Reimbursements	411,000	391,000	802,000
Total Objects		**2,465,000**	**1,990,000**	**4,455,000**

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N2 Forest Practices Compliance**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

Since 2007 the operating budget for the Forest Practices Program has been reduced by 30% while the rate of new Forest Practices Applications (FPAs) received has increased nearly 40%. In addition, the current body of approved applications is approximately 10,000, for which the program has 45 field staff to conduct post-approval compliance checks. Complexity of applications is also increasing, particularly with respect to landslide hazards. This proposal funds a new compliance initiative that adds key positions and one-time costs for investments in program functionality, efficiency and customer service. This proposal is related to Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
001-1	General Fund - Basic Account-State	1,717,000	1,395,000	3,112,000
19C-1	Forest Practices Application Acct-State	59,000	59,000	118,000
Total Cost		**1,776,000**	**1,454,000**	**3,230,000**

Staffing	FY 2016	FY 2017	Annual Average
FTEs	10.0	10.0	10.0

Package Description:

This proposal adds capacity to review and comply Forest Practices Applications (FPAs) and fulfills Goal 3 in the Department of Natural Resources (DNR) 2014-17 Strategic Plan. Specifically, DNR endeavors to attain 90% compliance on all riparian, road and unstable slopes prescriptions. Current compliance rates on, for example, the most commonly used riparian buffer prescription is 67%. The problem of diminished capacity is addressed through a combination of one-time funding for efficiency-increasing initiatives (FPARS), and ongoing funding for field staff, geologists, strategic compliance initiatives, and foundational transportation data to implement road and fish passage protections requirements for a total of 10 FTEs. These positions include an environmental planner to develop and implement strategic compliance initiatives; an information technology specialist to implement a modern and accurate statewide roads data layer; two additional licensed engineering geologists to better identify and evaluate landslide hazards; and six Forest Practices Foresters to ensure resource protection, public safety, and meet current application workload.

The Forest Practices Program implements the 1999 Forests & Fish legislation (State Salmon Recovery Act) and thereby provides the State of Washington's framework in the forested environment to achieve salmonid protection and recovery through compliance with the Endangered Species Act (ESA), and achieve state water quality standards under the Clean Water Act (CWA). The operating budget for the Forest Practices Program has been reduced by 30% over the last six years due to the state's economic downturn; resulting in a $6 million cut in General Fund-State, the elimination of 30 positions, and the suspension of technology initiatives and basic data maintenance that is necessary for program implementation. The ongoing effect of these reductions poses a risk to the environmental

and public safety protections, federal regulatory assurances, and a stable regulatory environment for a viable forest industry that the Program provides.

Recovery in the timber market occurred following the period of budget reductions, resulting in a 40% increase in the number of FPAs received and associated workload for application review. In calendar year 2013, DNR received approximately 6,000 new FPAs. In addition to newly-received applications, there are approximately 10,000 approved applications in the system which require post-approval compliance checks. The program has 75 staff positions allocated to application review and processing. Of these, 45 are forest practices foresters who are responsible for both pre-approval field review and are singularly responsible for post-approval compliance.

To address these challenges, this proposal would improve efficiency of the application review process; add field capacity for FPA review and compliance; add field expertise specifically for applications involving potentially unstable slopes and landslide hazards; create strategic compliance initiatives that more efficiently direct field work toward problem areas; and maintains foundational program data.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request will contribute to the agency's ability to better meet the following Forest Practices performance measures:

1) Number of Class III and Class IV Forest Practices Applications approved, conditioned, or disapproved within the 30-day application review period;
2) Percent of forest management activities in compliance with Forest Practices Rules; and
3) Total number of fish passage barriers repaired by large forest landowners to allow fish passage per requirements in the Forest Practices Rules.

This restores core functions of the Forest Practices program by providing resources to meet and maintain the commitments made in the Forest Practices Habitat Conservation Plan and Clean Water Act assurances amid increasing application workload and application complexity. This provides public safety and public resource protection, and maintains regulatory stability for timber landowners. Specific expected program outcomes areas are as follows:

1) Upgrading FPARS v4 will have stronger capabilities for field-accessible data, reporting and productivity; online applications for water type modification and processing Forest Practices Applications; electronic signature recognition and online payment options; and forensic-grade data logging and search functionality to more confidently respond to Public Disclosure Requests while also providing greater public transparency of FPA data and images.
2) Developing and executing strategic compliance initiatives will enable DNR Forest Practices staff to focus more on applications and compliance problems.
3) Fully funding each region with an additional forester will allow the appropriate level of staff to insure dedicated field review, compliance, and enforcement on FPAs. This strengthens rule implementation and compliance.
4) Restoring the staffing levels for the geology science team will reduce the risk of forest practices activities involving potentially unstable landforms by gaining more complete, higher quality information to make decisions, and assist region staff in making regulatory decisions involving the landscapes.

Performance Measure Detail

Activity: A016 Forest Practices Act and Rules

Incremental Changes

No measures submitted for package

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

This proposal implements the Department of Natural Resources 2014-17 Strategic Plan: Goal 3 - Deliver exemplary public resource protection through the Forest Practices Program. This decision package supports DNR's strategic plan goals, including its guiding principles, vision, and mission. DNR's guiding principles, vision, and mission are:

a. Manage the state's resources sustainably;
b. Make decisions based on sound science; and
c. Make decisions in the public interest and with the public's knowledge.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this proposal supports the Governor's priority initiative -Energy and Climate- by ensuring safe, clean water for healthy people and a strong economy as connected to the Clean Water Act. The Forest Practices rules, as implemented through the FP HCP, promote clean water and the greatest level of forestland protection to salmonid species ever negotiated in the nation.

This proposal is supportive of and connected to the Governor's Results Washington Initiative Goal 3- Sustainable Energy and a Clean Environment -Working and Natural Lands by:

1) Preserving, maintaining and restoring natural systems and landscapes;
2) Increasing hydraulic project approval compliance rate: and
3) Reducing the rate of the loss of priority habitats.

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

Other agencies that rely upon the Forest Practices Act & Rules (Chapter 76.09 RCW) to safeguard public resources and public safety will be positively impacted if this proposal is funded, such as Washington Department of Fish and Wildlife (WDFW), Washington Department of Ecology, US Environmental Protection Agency, US Fish & Wildlife Service, and National Oceanic and Atmospheric Administration-Fisheries. This request is connected to the Puget Sound Partnership's Action Items C4.2.4 and C4.2.5. The Forest Practices Program and FP HCP represent the state of Washington's framework for complying with Endangered Species Act requirements for salmonid protection and recovery, and Clean Water Act requirements in the forested environment.

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

In response to budget reductions, the program has substantially reduced staff levels and undergone restructuring, as well as postponing or eliminating basic tasks like training, data stewardship, and technology development. This significantly reduced core functions of the Forest Practices program in meeting statutory requirements, managing application workload and providing customer service. DNR evaluated continuing under the current structure and fiscal resource level in light of increasing application workload, complexity, and basic legal requirements.

What are the consequences of adopting or not adopting this package?

The Forest Practices Program implements the 1999 Forests & Fish legislation (State Salmon Recovery Act) and thereby provides the State of Washington's framework in the forested environment to achieve salmonid protection and recovery through compliance with the Endangered Species Act, and achieve state water quality standards under the Clean Water Act. The FP HCP, and accompanying CWA assurances, provides regulatory stability for the forest industry. Adopting this package restores capacity to meet application review and compliance expectations set by the Forests & Fish framework for protecting public resources and public safety.

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

Revenue -

The Forest Practices Application Account balance and anticipated revenue for 2015-17 will exceed the existing appropriation level by $119,000. This additional revenue will be used to increase an existing contractual agreement with WDFW and reallocate a Natural Resource Specialist 3 to a Natural Resource Scientist 3.

Expenditure -

Modernize Forest Practices Technology Infrastructure:
DNR proposes making a one-time reinvestment of $300,000 ($150,000 in FY 2016 and $150,000 in FY 2017) in the Forest Practices Application Review System (FPARS v4) to improve application processing efficiency and effectiveness, provide additional tracking and accountability, and enhance customer service. FPARS is the main database system the Forest Practices Program uses to maintain the initial screening and evaluation of forest practices applications (FPAs) in each region. Upgrading the system to the most current computing and database platforms will allow DNR field staff to be more proactive and efficient with their time when reviewing and complying FPAs. The system, for example, does not currently support needed productivity tracking functions or field-accessible maps and resource information. Budget reductions over the last several years have reduced FPARS capacity to a point where the program is not able to adequately maintain existing datasets, keep up with technological advances and effectively address emerging issues. The FPARS program application is no longer supported by current software technology, and due to this, the system is incompatible with some newer web browsers. The user interface is antiquated and cumbersome, and currently does not support full online application submittal. The long term benefits of this investment will be a database that not only adequately supports staff needs but also supports applicants, stakeholders and public review and information requests.

This proposal adds 1.0 FTE Information Technology Specialist 4 and associated costs for a total of $289,000 ($149,000 in FY 2016 and $140,000 in FY 2017). This position is essential in developing and implementing a modernized and accurate roads data layer for regulated forestlands. The Road Maintenance and Abandonment Plan (RMAP) requirements of the Forest Practices Rules provide for a systematic correction of fish passage barrier and road sedimentation issues. Landowners must comply with their RMAP requirements by 2016, or obtain an extension to 2020. During RMAP implementation, landowners must report annually on progress. Following the completion of landowner RMAP work, the responsibility of tracking ongoing maintenance and road condition falls to DNR. Without an accurate transportation data layer this task could only be achieved with site-by-site visits, which in addition to being inefficient, would lack the transparency and accountability necessary to demonstrate compliance with regulatory commitments.

Forest Practices Operations - Strategic Compliance Initiatives:
This proposal adds 1.0 FTE Environmental Planner 4 and associated costs for a total of $273,000 ($141,000 in FY 2016 and $132,000 in FY 2017). This position will develop strategic compliance initiatives. Compliance challenges in the Forest Practices Program are comprised of a series of interconnected parts that are unique to a particular issue. Each may include, for example, some combination of planning error, operator error, lack of clarity in rule requirements, insufficient capacity for review or enforcement, and so on. Depending on the nature of the problem, they may be solved with compliance strategies like increased training, changes to field methodologies or application requirements, incentives for applicants, rule changes, or stricter enforcement emphasis at key points. The strategic compliance initiatives developed by this position will assist field staff in applying limited time and effort toward the most effective approach for individual problems.

FP Science Team - Geologists:
This proposal strengthens the Forest Practices Program's ability to safeguard public safety, public resources, and capital improvements of the state by ensuring the best possible regulatory decisions are made on proposals from forest landowners to harvest timber and construct roads in areas with potentially unstable landforms. This proposal adds 2.0 FTE Natural Resource Scientist 3 and associated costs, as well as two new vehicles at $29,000 each, for a total of $622,000 ($349,000 in FY 2016 and $273,000 in FY 2017). These licensed engineering geologists will identify and evaluate landslide hazards. These positions were eliminated, among others, in the 2009-11 biennium budget reductions. Science team geologist positions are utilized as expert consultants to field foresters when evaluating FPAs that are near potentially unstable slopes, in order to ensure forest practice operations will comply with applicable rules. Rules require that applicants either do not operate on unstable slopes, or if they do, operations are designed and mitigated in a way that will not accelerate the chances of slope failure. Both require detailed field and office evaluation by a qualified geologist to assure that all relevant information has been considered and advise decision-makers on whether the proposed operations will meet rule requirements. These positions will enhance the ability to detect errors or omissions in the identification of potentially unstable landforms, and enhance the detail and thoroughness of these reviews during both timber harvest layout and FPA processing.

FP Operations - Region Field Foresters:
This proposal adds 6.0 FTE Natural Resource Specialist 3 and associated costs, as well as six new vehicles at $29,000 each, for a total of $1,628,000 ($928,000 in FY 2016 and $700,000 in FY 2017). These forest practice forester positions will insure that the most

critical positions implement the Forest Practices Act and Rules to meet the expectations for protection of public resources and safety. The foresters evaluate FPAs to insure the rules are met prior to application approval, and are responsible for enforcing compliance with the application requirements during harvest operations. This includes reviewing, conditioning and approving the approximately 6,000 FPAs received per year that are now received by DNR, a 40% increase over levels during the economic recession. The foresters also conduct field reviews to respond to technical questions associated with a proposed forest practices activity, depending on the issues associated with each FPA. The foresters enforce landowner compliance with the rules to meet the expectations for protection of public resources and safety. The program was also mandated by 2012 legislation (2ESSB 6406) to implement hydraulic project approvals on forestland. This new authority is a substantial workload increase for DNR staff, and although FPA fees were increased to allow for hiring additional staff, revenue has not met expectations.

Forest Practices Application Account (FPAA):
The FPAA was created as part of the implementation of hydraulic project permitting authority under 2ESSB 6406. Revenue to the account has under-performed fiscal note expectations by 25% for the 2013-15 biennium, but projections for 2015-17 levels are closer to 85%. This proposal will provide $118,000 ($59,000 in FY 2016 and $59,000 in FY 2017) of additional spending authority from the account. This in concert with existing spending authority will fund the reallocation of an Engineer position in the Northwest Region, where need has been identified for this expertise in complex hydraulic projects that may involve both fish protection and unstable slopes concerns. This expert may be shared with other regions as needed. In addition, DNR will increase its existing interagency agreement by $34,000 each year with WDFW to assist in review and consultation on hydraulic projects. The WDFW agreement amount for the 2013-15 biennium was reduced below the 6406 fiscal note-estimated amounts commensurate with the FPAA revenue under-performance.

Approximately 27% of this proposal can reasonably be tied to the Puget Sound Action Agenda. The DNR guides region staff in enforcing the forest practices rules and in providing expert forestry assistance in completing a forest practices application before performing forestry activities that are governed by the Forest Practices Rules. The upgrading of FPARS will streamline the processing of Forest Practices Applications and will improve the public's ability to submit and review proposed forest practices activities. This proportional support to the PSP Action Agenda equates to 2.7 FTEs and $872,370 of this funding request.

The following PSP Action Items are supported by this 27%:
1) Action Item C4.2.4 -Track ongoing maintenance and road condition at $289,000 and 1.0 FTE.
2) Action Item C4.2.5 - Coordination with federal partners in Road Maintenance and Abandonment Plan (RMAP) at $95,000 and 0.75 FTE.

Agency administration cost is calculated at 27% and shown as Object T.

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

One-time costs include the $300,000 for the initial investment of FPARS, $232,000 for the eight new vehicles ($29,000 x 8) and the one-time equipment costs for new staff. All other costs are ongoing. The FPARS investment will cover the scoping and modular implementation phases. The ongoing costs for FPARS are unknown at this phase. There will be ongoing adjustments to insure that the database system is using current technology (i.e., applications for tablets, smart phones, etc.).

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	626,000	626,000	1,252,000
B	Employee Benefits	213,000	213,000	426,000
E	Goods\Other Services	366,000	296,000	662,000
G	Travel	63,000	63,000	126,000
J	Capital Outlays	252,000		252,000
T	Intra-Agency Reimbursements	256,000	256,000	512,000
Total Objects		**1,776,000**	**1,454,000**	**3,230,000**

CMER Master Project Schedule
August 7, 2014

CMER Master Project Schedule
Recommended FP HCP Adaptive Management Program Priority Projects
8/7/14 - Final

Project	Budget 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Administrative and Support Staff																
CMER Science Staff	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000
Project Support	487,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000
Project Administration	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000
Projects almost finished																
Buffer Integrity - Shade effectiveness (amphibian response)	30,000															
Forest Practices and Wetlands Systematic Literature Review	60,000															
Wetlands Program Research Strategy	33,000															
Type F and N Extensive Westside - Temperature (Baseline status)	10,000															
Eastside Type N Forest Hydrology	425,000															
RMZ birds	2,000															
Riparian Hardwood Conversion	10,000	73,000														
Projects in field implementation																
Type N Experimental Buffer Treatment Project in Hard Rock Lithologies	304,000	214,000	100,000													
Type N Experimental Buffer Treatment Project - Hard Rock- Amphibian Genetics - Post sample	0	200,000	200,000	85,000	40,000											
Type N Experimental Buffer Treatment Project - Hard Rock- Amphibian Demographics/Channel Metrics	0	165,000	231,000	153,000	153,000	75,000										
Type N Experimental Buffer Treatment Project in Hard Rock Lithologies - Temp/Sediment/Vegetation/Litterfall	134,000	320,000	190,000	119,000	0											
Type N Experimental Buffer Treatment Project - Soft Rock Lithologies	344,000	382,000	360,000	216,000	153,000	81,000										
Projects in study design or conceptual stages																
Eastside Type N Riparian Effectiveness - Perennial	5,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000					
Eastside Type N Riparian Effectiveness - Dry	80,000	75,000	150,000	330,000	330,000	330,000	330,000	330,000	200,000	100,000	40,000					
Westside Type F Riparian Prescription Monitoring	10,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000					
Unstable Slopes Criteria Evaluation and Development	5,000	150,000	150,000	150,000	100,000	75,000										
Glacial Deep Seated - Develop or implement Strategy	50,000															
Glacial Deep Seated - Placeholder funding for strategy excecution		100,000	100,000	100,000												
Forested Wetlands Effectiveness Study	25,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000					
Wetland/Stream Water Temp Interactions (Subquestion)		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	25,000					
Wetland Hydrologic Connectivity (Add On)		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	25,000					
Wetlands Management Zone Effectiveness Monitoring									25,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000
Wetland/Stream Water Temp Interactions (Add On)										50,000	50,000	50,000	50,000	50,000	50,000	50,000
Wetland Hydrologic Connectivity (Add On)										50,000	50,000	50,000	50,000	50,000	50,000	50,000
Wetlands Intensive Monitoring																
Road Prescription-Scale Effectiveness Monitoring	25,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000					
Road Sub-Basin-Scale Effectiveness Monitoring - Resample								75,000	350,000	350,000	150,000	75,000				
Watershed Scale Assessment of Cumulative Effects (roads and riparian)												40,000	100,000	250,000	360,000	360,000
Amphibians in Intermittent Streams					40,000	150,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000	
Van Dykes Salamander Project	56,000	47,000			237,000	103,000	266,000	103,000								
Windthrow Data Synthesis												50,000				
Extensive Alternative (Remote Sensing Approach)		100,000	100,000	100,000	100,000										300,000	
	2,963,000	3,581,000	3,936,000	4,048,000	3,948,000	3,609,000	3,641,000	3,663,000	3,290,000	2,765,000	2,365,000	2,240,000	2,065,000	2,065,000	2,415,000	2,075,000

CMER Master Project Schedule
August 7, 2014

CMER Master Project Schedule	All critical projects are to be completed by 2031 by WAC															HCP over	
Recommended FP HCP Adaptive Management Program Priority Projects																	
8/7/14 - Final																	
Project	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**
Administrative and Support Staff																	
CMER Science Staff	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	601,000	
Project Support	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	387,000	
Project Administration	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	267,000	
Projects almost finished																	
Buffer Integrity - Shade effectiveness (amphibian response)																	
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Projects in field implementation																	
Type N Experimental Buffer Treatment Project in Hard Rock Lithologies																	
Type N Experimental Buffer Treatment Project - Hard Rock- Amphibian Genetics - Post sample																	
Type N Experimental Buffer Treatment Project - Hard Rock- Amphibian Demographics/Channel Metrics																	
Type N Experimental Buffer Treatment Project in Hard Rock Lithologies - Temp/Sediment/Vegetation/Litterfall																	
Type N Experimental Buffer Treatment Project - Soft Rock Lithologies																	
Projects in study design or conceptual stages																	
Eastside Type N Riparian Effectiveness - Perennial																	
Eastside Type N Riparian Effectiveness - Dry																	
Westside Type F Riparian Prescription Monitoring																	
Unstable Slopes Criteria Evaluation and Development																	
Glacial Deep Seated - Develop or implement Strategy																	
Glacial Deep Seated - Placeholder funding for strategy excecution																	
Forested Wetlands Effectiveness Study																	
Wetland/Stream Water Temp Interactions (Subquestion)																	
Wetland Hydrologic Connectivity (Add On)																	
Wetlands Management Zone Effectiveness Monitoring	250,000	100,000	40,000														
Wetland/Stream Water Temp Interactions (Add On)	50,000	50,000	25,000														
Wetland Hydrologic Connectivity (Add On)	50,000	50,000	25,000														
Wetlands Intensive Monitoring	40,000	100,000	250,000	360,000	360,000	360,000	360,000	360,000	250,000	100,000	40,000						
Road Prescription-Scale Effectiveness Monitoring																	
Road Sub-Basin-Scale Effectiveness Monitoring - Resample																	
Watershed Scale Assessment of Cumulative Effects (roads and riparian)	360,000	360,000	360,000	250,000	100,000	40,000											
Amphibians in Intermittent Streams																	
Van Dykes Salamander Project																	
Windthrow Data Synthesis																	
Extensive Alternative (Remote Sensing Approach)																	
	2,005,000	1,915,000	1,955,000	1,865,000	1,715,000	1,655,000	1,615,000	1,615,000	1,505,000	1,355,000	1,295,000	1,255,000	1,255,000	1,255,000	1,255,000	1,255,000	

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N3 Forests & Fish Adaptive Management**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

This General Fund-State appropriation request will fund accelerated Forest Practices Adaptive Management Program (AMP) research/monitoring projects necessary to support the Forest Practices Habitat Conservation Plan (FP HCP) and comply with a 2012 legal settlement agreement. This request will sustain the AMP for the 2015-17 biennium and set a funding schedule for future biennia to enable the program to fully meet the FP HCP, Clean Water Act (CWA) assurances and settlement commitments for the state. This request is related to the Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	2,947,000	2,947,000	5,894,000
Total Cost	**2,947,000**	**2,947,000**	**5,894,000**

Package Description:

This General Fund-State appropriation request would fund accelerated Forest Practices Adaptive Management Program (AMP) research/monitoring projects necessary to support the Forest Practices Habitat Conservation Plan (FP HCP). The FP HCP embodies a 50-year regulatory commitment to implement the 1999 Forests & Fish law (State Salmon Recovery Act), and provides the State of Washington's framework in the forested environment to achieve salmonid protection and recovery through compliance with the Endangered Species Act (ESA), and achieve state water quality standards under the Clean Water Act. The AMP is central to these commitments in that it conducts scientific research to evaluate the effectiveness of the regulatory approach and recommends adjustments needed to meet resource objectives. The adequacy of progress toward implementing AMP science was the subject of threatened litigation against the FP HCP in 2011, which resulted in a 2012 legal settlement agreement in which the state committed to accelerate the pace of AMP work.

The AMP is in need of an additional $2.9 million per fiscal year in the 2015-17 biennium, $3.2 million per fiscal year in the next biennium, and $2.8 million in subsequent fiscal years to make progress on completing high priority research and monitoring projects to support the FP HCP and CWA assurances. The use of this increase will be dedicated to meeting these commitments and the recent settlement agreement between the state, timberland owners and environmental caucuses.

The AMP is a required component of the FP HCP and Forests & Fish law. It enables the Forest Practices Board to determine if and when it is necessary to adjust Forest Practices rules and guidance to achieve water quality and aquatic habitat resource objectives of the FP HCP. Due to the loss of federal and state funding, the AMP has been operating at a significantly reduced capacity for the last

several years.

Currently, the AMP is funded almost entirely from the Forest & Fish Support Account (FFSA). Meeting near-term settlement agreement commitments during the 2013-15 biennium required spending appropriated amounts from FFSA at a rate that exceeds revenue accrual and results in reducing the fund balance to the minimum operating reserve level by biennium's end. Thereafter, beginning in fiscal year 2016, expenditures will exceed revenue into the account by $2.9 million per year, $3.2 million per fiscal year in the next biennium, and $2.8 million annually thereafter. This request will offset the funding gap between current FFSA resource and commitments to the accelerated settlement agreement project schedule (See Attachment).

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The FP HCP and accompanying CWA assurances provide habitat and water quality protection on 60,000 miles of forested streams across 9.3 million acres of private and state forestland. The FP HCP represents a 50-year commitment to meet federal regulatory requirements, and thereby, also provides a stable regulatory environment for a viable forest products industry. The FP HCP arises from the state's salmon recovery strategy as recognized by The Salmon Recovery Act of 1999 (ESHB 2091, "Forests & Fish" law), and is key to the overall effort of recovering listed salmon and protecting Puget Sound. Current levels of expenditure compromise a key commitment in the protection/restoration of aquatic habitat and water quality, and may subject the investments made in accomplishing FP HCP and CWA assurances commitments to litigation. The current commitments also reflect collaboration built up from over 20 years of relationships among the Timber, Fish & Wildlife agreement partners, including landowners, tribes and conservation organizations.

This request will sustain the AMP through the 2015-17 biennium and set a funding schedule for the future biennia to enable the program to fully meet the FP HCP, CWA assurances and settlement commitments for the state. All cooperators participating in the implementation of the Forest Practices program (forestland owners, state/federal resource agencies, tribes, counties, conservation organizations, general public) will benefit from this proposal because these are necessary components of meeting the FP HCP goals to:

* Provide compliance with the ESA for aquatic and riparian-dependent species on non-federal forestlands,
* Restore and maintain riparian habitat on non-federal forestlands to support a harvestable supply of fish,
* Meet the requirements of the CWA for water quality on non-federal forestlands,
* Keep the timber industry economically viable in the State of Washington, and
* Meet the funding obligations committed to by the 2012 settlement agreement partners.

This request will contribute to the agency's ability to better meet the following Forest Practices AMP performance measure:

The number of completed scientific reports received by the Forests and Fish Policy group and acted upon in the form of a recommendation to the Forest Practices Board for action or no-action.

Performance Measure Detail

Activity: A015 Forest Practices - Manage Adaptively

		Incremental Changes	
		FY 2016	FY 2017
	Output Measures		
001192	Number of scientific investigations completed by the Cooperative Monitoring, Evaluation and Research Committee (CMER) and evaluated by the Forests & Fish Policy Committee to determine whether an adapative management response is needed.	0.00	0.00

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: 2014-2017: Goal 3.D. - Deliver a well-funded, functioning Adaptive Management Program.

This decision package supports DNR's guiding principles, vision, and mission which are:
a. Manage the state's resources sustainably;
b. Make decisions based on sound science; and
c. Make decisions in the public interest and with the public's knowledge.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this proposal supports the Governor's priority initiative -Energy and Climate- by ensuring safe, clean water for healthy people and a strong economy as connected to the Clean Water Act.

This proposal is supportive of and connected to the Governor's Results Washington Initiative Goal 3- Sustainable Energy and a Clean Environment -Clean and Restored Environment by:

1) Funding and managing the AMP's Cooperative Monitoring Evaluation and Research Committee (CMER) projects;
2) Utilizing the research to improve the administration and effectiveness of forest practice rules and to receive federal assurances under the federal ESA and CWA;
3) Providing science-based recommendations and technical information for use by the Forest Practices Board and contributes to the forest practices applications measure listed with the Forest Practices Act and Rules.

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

Largely born out of the collaborative Timber, Fish and Wildlife (TFW) and the Forests and Fish Report (FFR) processes, the Forest Practices program is a fundamental building block for how the state, federal services, tribes, forest landowners and conservationists work together to ensure we have a viable timber industry and improving water quality and habitat conditions for Washington's forested streams and rivers. The agency expects all of the forest and fish participants, including forest landowners and tribes, to support short and long-term efforts to increase efficiencies and the effectiveness of the program and to secure sustained long-term funding for the Adaptive Management Program.

The Department of Natural Resources (DNR) is committed to the state's goal to recover Puget Sound to health by 2020 and to its role in implementing the Puget Sound Partnership's Action Agenda. This budget request is connected to the following Puget Sound Partnership's Action Items;

C4.1.2. Forest Practices Adaptive Management Program. DNR will work to secure long-term and dependable funding for the Forest Practices Adaptive Management Program, training, compliance monitoring, and enforcement. Estimated cost = $5,894,000.

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

The Forest Practices Program has bridged critical funding gaps for the fiscal years following the loss of federal and state funding for AMP by drawing from FFSA account balances and legislatively-directed fund source transfers from the Aquatics Land Enhancement Account (ALEA). The program will expend all available fund balances by the end of the 2013-15 biennium.

A number of efforts have been undertaken to improve efficiency in the AMP. Recommendations from a 2012 LEAN review yielded structural improvements and proposed to eliminate unnecessary procedural steps. These have begun to be implemented by the program. The 2012 settlement agreement also resulted in process improvement recommendations within AMP that have since been realized with new rulemaking by the Forest Practices Board in August, 2013. AMP program participants have also evaluated the schedule of research projects, prioritizing project timing and eliminating those that are no longer relevant. Ongoing efficiencies and funding source diversification will continue to be proactively sought by the program.

For the 2014 legislative session DNR, Dept. of Ecology, landowner, environmental and tribal partners advanced legislation to help stabilize the program by statutorily redirecting and dedicating certain existing Forest Excise Tax revenues to the FFSA. This was unsuccessful. This request fulfills the ongoing obligation to seek dedicated funding for the Adaptive Management Program's (AMP) research and monitoring program. Not funding this program will subject the framework of commitments to Clean Water Act compliance and the Incidental Take Permit in the FP HCP to litigation.

What are the consequences of adopting or not adopting this package?

The FP HCP, and accompanying CWA assurances, provides regulatory stability for timber landowners. Fully funding the AMP will

suspend potential legal action from the TFW cooperators as this funding restoration maintains the commitments in the Forest Practices Habitat Conservation Plan and CWA assurances.

These consequences would sacrifice many years and tens of millions of dollars' worth of work on the part of cooperating stakeholders, would destabilize the forest practices regulatory structure, and undermine the timber industry, an important sector of the state's economy. This would be injurious to the quality of Washington's natural resources and citizens of the state.

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

Adaptive Management Research and Monitoring: The Adaptive Management Program (AMP) is in need of an additional $5.9M in the 2015-17 biennium to continue progress on completing high priority research and monitoring projects to support the FP HCP and CWA assurances. $4.7 million is needed for interagency agreements ($2,358,000 in FY 2016 and $2,358,000 in FY 2017) and $1.2 million for personal service contracts ($589,000 in FY 2016 and $589,000 in FY 2017). The new funds will be dedicated to meeting these commitments and the recent settlement agreement between the state, timberland owners and environmental caucuses.

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

All costs are ongoing and will need to be increased by the incremental amounts as referenced in the CMER project list (see attachment).

Object Detail		**FY 2016**	**FY 2017**	**Total**
C	Professional Svc Contracts	589,000	589,000	1,178,000
E	Goods\Other Services	2,358,000	2,358,000	4,716,000
Total Objects		**2,947,000**	**2,947,000**	**5,894,000**

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N4 Teanaway Community Forest**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The 50,000-acre Teanaway Community Forest was acquired in September 2013 as Washington's first community forest, a model that protects working forests at high risk of conversion through a collaborative partnership between the state and local communities. Ongoing funding is requested for implementation of the management plan to improve forest health, protect working lands and fish and wildlife habitat, and manage recreational access by the Department of Natural Resources (DNR) and Department of Fish and Wildlife (WDFW). The restoration and conservation of the Teanaway is a key element of the Yakima Basin Implementation Plan (YBIP) that addresses the basin's water problems.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	1,131,000	938,000	2,069,000
Total Cost	**1,131,000**	**938,000**	**2,069,000**

Staffing	FY 2016	FY 2017	Annual Average
FTEs	4.3	4.3	4.3

Package Description:

Background -
The 50,000 acre Teanaway Community Forest was acquired in September 2013 through a capital appropriation of $89 million and a $10 million loan from the DNR Real Property Replacement Account. In June 2009, Ecology and Reclamation brought representatives from the Yakama Nation, irrigation districts, environmental organizations, and federal, state, county, and city governments together to form the Yakima River Basin Water Enhancement Project (YRBWEP) to develop a consensus-based solution to the basin's water problems and later the YBIP.

The 2013 acquisition is part of the first stage in acquiring up to 200,000 acres of the Yakima basin headwaters to alleviate chronic water shortage problems in the basin. The Teanaway is managed by DNR in a collaborative partnership with WDFW under the authority (RCW79.155) granted by the community forest trust (CFT). Set against the backdrop of the YBIP, the Teanaway will be managed as a working forest for local timber and natural resources jobs, clean air and ample water, fish and wildlife habitat, recreation, and education.

The legislature made a one-time operating budget appropriation of $1,064,000 in the 13-15 operating budget to fund the initial planning work and start addressing immediate public safety and forest management needs. This request will fund the ongoing implementation of the Community Forest Plan and day-to-day management that will improve forest health, protect working lands, protect fish and wildlife habitat, and manage recreational access by DNR and WDFW.

Ongoing Managment Needs -
This request will fund the following ongoing management needs of the Teanaway:
-Development of Recreation Plan for Teanaway landscape as directed in TCF management plan;
-Implementation of health and safety improvements in existing campgrounds related to sanitation, maintenance, fire mitigation;
-Develop and implement forest health treatment needs and project contracts;
-Noxious weed control;
-Complete Resource Management Action Plan (RMAP) obligations;
-Complete grant applications and permitting for implementation of TCF plan; and
-Ongoing Teanaway Community Forest Advisory Committee (TAC) activities.

Other Components -
There are several Teanaway capital budget components included in DNR's 15-17 capital budget request. $350,000 is incorporated in DNR's Forest Hazard Reduction request, which will contract for pre-commercial thinning on 3,500 acres. $600,000 is incorporated in DNR's RMAP request, which will install a bridge to eliminate a critical fish passage barrier, and complete other road maintenance work such as grading, tank trap removal, and gate maintenance. $180,000 is incorporated in DNR's Sustainable Recreation request, which will install CXT toilets, campfire rings, ADA compliant tables and toilets, and complete miscellaneous repairs.

As part of the initial acquisition appropriation, the Real Property Replacement Account authorized a $10 million dollar loan to support the acquisition. The loan is to be repaid over a ten (10) year period with an interest rate of 9%. An initial FY 15 interest payment of $222,000 was appropriated in the FY 14 supplemental operating budget; future repayments are estimated to be paid until FY 25. Repayment of principle will not begin until provisions of Section 12(3) of ESSSB 5367 are completed. The 15-17 interest amounts are not included in this funding request; it is recommended that the loan repayments be funded thru a transfer to the Real Property Replacement Account in the "Special Appropriations" section of the 15-17 operating budget, similar to the approach taken in the FY 2014 supplemental operating budget.

Community forests are subject to Payment In Lieu of Taxes (PILT) per RCW 79.155.140. The estimated PILT for the Teanaway is $158,000 in FY 16 and $ 163,000 in FY 17; it is recommended that this amount be added to the Natural Areas PILT funding in the "Other Transfers and Appropriations/State Revenue for Distribution" section of the 15-17 operating budget, similar to the approach taken in the FY 14 supplemental operating budget.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Results will include:
-Completion of a public process driven recreation plan and apply for grants to implement the plan;
-Installation of new CXT toilets in campgrounds for improved sanitation;
-Installation of new fire rings to make campgrounds compliant with DNR standards;
-Interpretation of inventory data to identify and prioritize forest health treatments to improve fire resiliency of the TCF;
-Completion of half of the remaining RMAP obligations required by Forest Practices rules; and
-Support and management of the TAC activities related to plan implementation.

Performance Measure Detail

Activity: A030 State Lands Management - Asset Planning and Transactions

Incremental Changes

No measures submitted for package

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

Yes, this request supports Goal 2 of the DNR Strategic Plan 2014-17 - Protect and Maintain Working Forestlands, Habitats, and Other

Natural Resources, and is critical to achieving sub-goal 2D - Develop and implement the Teanaway Community Forest Management Plan. In addition, it supports several important objectives in WDFW's 2013-15 strategic plan, including protecting the ecological integrity of critical habitat, and protecting Washington's fish and wildlife diversity.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Governor's Priorities:
Well-managed forestlands are vital to a clean environment, vibrant economy, and healthy populace. The creation of the Teanaway Community Forest was a Governor's request legislation which resulted in ESSSB 5367. The Teanaway is a key piece in implementing the Yakima Basin Integrated Plan, a plan developed by a coaliation of public and private organizations to increase the basin's water supply, restore fisheries, conserve habitat, preserve working lands, and enhance recreational opportunities. These goals support the Governor's priorities of Economy and Health Care.

Governor's Results Washington:
This request supports the Governor's Results Washington Goal 3 -- Sustainable Energy and A Clean Environment -- protecting healthy fish and wildlife, cleaning and restoring our environment, and using our working and natural lands responsibly. It would contribute to the achievement of subgoals 4.2 - Increase participation in outdoor experiences on state public recreation lands and waters - and 4.3 - Reduce the rate of loss of priority habitats.

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

The Teanaway is managed by DNR in a collaborative partnership with WDFW. This request supports several important objectives in WDFW's 2013-15 strategic plan, including protecting the ecological integrity of critical habitat, and protecting Washington's fish and wildlife diversity.

As a community forest, the Teanaway planning and management takes place within a collaborative partnership between the state and local communities. An advisory board made up of representatives of the local communities and interest stakeholders provides regular input.

There is a great deal of interest in the Teanaway from local residents. Many volunteers have provided their time and labor to assist with signage and other projects, and this is expected to continue.

The Teanaway is located in Kittitas County at the headwaters of the Yakima Basin watershed. Its acquisition was a key step in implementing the Yakima Basin Integrated Plan, a plan developed by a coalition of public and private organizations to increase the basin's water supply, restore fisheries, conserve habitat, preserve working lands, and enhance recreational opportunities.

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

One alternative is to fund the operational costs of the Teanaway community forest through traditional DNR trust land management spending authority in the Resource Management Cost Account (RMCA) and Forest Development Account (FDA). However, funding any activities not tied directly to trust land activities is not allowed and does not meet the fiduciary intent of the RMCA or FDA. The only appropriate fund source for these community forest operational costs is GF-State.

Another alternative would be to divert existing GF-State appropriations from other DNR programs in order to fund these costs. This would result in reduction of critical public safety and/or environmental protection programs such as fire control, state geological survey or forest practices. Similarly, redirecting resources in WDFW could result in delays in regional staffs' HPA processing, game laws not being enforced and violations going undetected, and diminished ability to follow through with contract deliverables for forest and aquatic habitat restoration activities on WDFW managed lands. Given these impacts, this is not considered a viable alternative.

What are the consequences of adopting or not adopting this package?

Failure to implement this package will result in limited implementation of goals, objectives and strategies developed in the TCF management plan. Delays in undertaking on the ground management actions, such as estabilishing a strong law enforcement presence, increase the potential for more resource damage from recreation and limited ability to accommodate all recreation opportunities. Failure to begin undertaking actions to improve forest health mean a continued decline in forest health, a higher risk of catastrophic fires, and non-compliance with county noxious weed codes.

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

There are several Teanaway capital budget components included in DNR's 15-17 capital budget request. $350,000 is incorporated in DNR's Forest Hazard Reduction request, which will contract for pre-commercial thinning on 3,500 acres. $600,000 is incorporated in DNR's RMAP request, which will install a bridge to eliminate a critical fish passage barrier, and complete other road maintenance work such as grading, tank trap removal, and gate maintenance. $180,000 is incorporated in DNR's Sustainable Recreation request, which will install CXT toilets, campfire rings, ADA compliant tables and toilets, and complete miscellaneous repairs.

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

None

Expenditure and revenue calculations and assumptions

DNR salaries and benefits are included for 4.25 FTEs -- 1.0 FTE Law Enforcement Officer, 1.0 FTE WMS Band 1 (District Manager), 2.0 FTE Natural Resouce Specialists 2, and .25 FTE Natural Resource Engineer 2. Salaries, benefits and related costs for WDFW are reflected in Object E for an interagency agreement between DNR and WDFW. These FTEs will manage the Teanaway Community Forest in partnership with WDFW; provide on site law enforcement presence; implement the recreation component of the forest plan, lead the public process for campground planning, and coordinate volunteers to improve campgrounds and other work funded by grants; develop and implement action and development plan to accomplish forest health, working lands, habitat management, pre-commercial thinning and noxious weed management objectives; and design RMAP project and complete road maintenance.

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

Purchased services include $768,000 for an interagency agreement with WDFW that would fund 2 FTEs; 1.0 FTE Fish & Wildlife Biologist 4, 0.5 FTE Environmental Specialist 5, and 0.5 FTE Fish and Wildlife Officer. The biologist position will be responsible for coordinating, directing, and implementing habitat restoration projects with DNR, Yakama Nation, RFEG, and YBIP partners and deliver on the TCF legislation goals of watershed protection and habitat restoration. The position will also work on leveraging potential significant federal, state (non GFS) and tribal grants and other fund sources to implement additional habitat restoration. The environmental specialist will develop implementation plans for recreation, roads and habitat restoration, support WDFW regional staff in development of these step down plans and coordinate initial implementation of strategies. The fish and wildlife officer represents overtime in assisting DNR with law enforcement on the Teanaway.

Additional purchased services of $82,000 includes noxious weed contracts with the Kittitas county weed board; trash cleanup up, toilet pumping; honey bucket rentals and forest fire protection assessment.

There will be one-time equipment costs in FY 16 for three vehicles at an estimated $24,000 each, one law enforcement vehicle at an estimated $52,000, one off road vehicle at an estimated $12,000, computers, and specialized equipment at an estimated $29,000.

Agency admin costs are calculated at 27% and are shown as Object T.

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

All costs are ongoing with the exception of the $165,000 of capital outlay (object J) and $28,000 of goods & services (object E).

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	241,000	241,000	482,000
B	Employee Benefits	79,000	79,000	158,000
E	Goods\Other Services	506,000	478,000	984,000
G	Travel	37,000	37,000	74,000
J	Capital Outlays	165,000		165,000
T	Intra-Agency Reimbursements	103,000	103,000	206,000
Total Objects		**1,131,000**	**938,000**	**2,069,000**

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N5 Puget Sound Creosote Removal**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

Recovery of Puget Sound requires investments in the restoration of habitat and removal of toxics from the environment. The Department of Natural Resources (DNR) Restoration Program leads the removal of creosote-treated wood and restores shorelines through collaboration with partners and facilitation of projects. Since 2004 DNR has removed over 12,450 piles from Puget Sound shorelines. Under the Puget Sound Action Agenda DNR is committed to the removal of 13,000 creosote-treated piles by 2017. This request would continue funding the removal of creosote-treated wood and meet our commitments to the Action Agenda and DNR Strategic Plan. Related to Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
173-1 State Toxics Control Account-State	502,000	502,000	1,004,000
Total Cost	**502,000**	**502,000**	**1,004,000**

Package Description:

DNR received funding support for two project positions as part of the 2012 Jobs Now Act. These project positions develop key partnerships, contract for marine transportation and manage public works contracts for creosote removal while coordinating the involvement of Puget SoundCorps crews in nearshore restoration and creosote removal projects throughout Puget Sound. This request will allow DNR to build on the existing restoration and creosote removal program by retaining the two project positions and continuing to utilize Puget SoundCorps crews.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Removal of derelict creosote-treated structures from a minimum of six different sites in Puget Sound. Approximately 2,500 piles will be removed. Removals will occur on both State-Owned Aquatic Lands, and other public lands. Minimal amounts of removal will occur on private lands adjacent to public lands to ensure continuity of projects and to maximize benefits.

Performance Measure Detail

Activity: A044 **Aquatic Lands Environmental Management**

Incremental Changes

No measures submitted for package

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

Yes, this package would provide funding that is essential to the implementation of the following goals of the agency's strategic plan:
Goal 1.C - Sustainably Manage State-Owned Aquatic Lands
Goal 4 - Clean Up, Restore, And Sustainably Manage Puget Sound.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

This proposal supports the Governor's priority on Energy and Climate. (www.governor.wa.gov)

It also supports the Governor's Results Washington priorities - Goal 3: Sustainable energy & a clean environment. (results.wa.gov)

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

The proposed work will occur in the Puget Sound basin. DNR will work closely with partner local, state and federal entities to successfully implement creosote removal and restoration. The request relates to the Puget Sound Action Agenda as follows;
Strategic Initiative - Protection and restoration of habitat
Sub-Strategy B 2.2 - Implement prioritized nearshore and estuary restoration projects and accelerate projects on public lands.
Near-Term Action B 2.2.3 - Prioritizing restoration on state-owned aquatic lands.
Near-Term Action B 2.2.4 - Creosote piling inventory and removal.

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

DNR considered the alternative of not seeking additional funding for the removal of creosote-treated wood and restoration of shorelines. This alternative would result in DNR not meeting its commitment to Puget Sound cleanup as defined in the Puget Sound Action Agenda. This alternative would also result in DNR not meeting its goals and objectives of the DNR Strategic Plan. Considering these factors, DNR is choosing to pursue additional funding to continue the removal of creosote-treated wood from the Puget Sound environment.

This request enhances current policies and procedures to follow State and Federal laws, support the Governor's priorities, and contribute to statewide results. This request also supports the Puget Sound Action Agenda and the recovery and protection of Puget Sound.

What are the consequences of adopting or not adopting this package?

Removal of additional creosote treated logs in Puget Sound will continue to reduce the amount of toxic material impacting Puget Sound recovery.

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

There is no relationship to the state's capital budget.

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

No changes to existing statutes, rules, or contracts would be required to implement this change.

Expenditure and revenue calculations and assumptions

Revenue -
The Department of Ecology is the administrator of this fund and has stated there is sufficient revenue to support this one-time request.

Expenditures -
Goods and services - Contracts for restoration and creosote removal, cost of acquiring permits, mailings, and public notifications. Costs are based on program averages. All funds will be spent in Puget Sound and support the recovery of Puget Sound consistent with the Puget Sound Action Agenda. No additional FTEs are requested. Work will be coordinated by existing FTEs.

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

This is a one-time request.

Object Detail		**FY 2016**	**FY 2017**	**Total**
E	Goods\Other Services	502,000	502,000	1,004,000

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N6 Natural Areas Land Management**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

This proposal restores operational capacity for site and program management for natural areas, provides support for Natural Area managers, and increases agency efficiency in the maintenance of natural areas. It also supports increased invasive species eradication at 63 of the program's most vulnerable areas currently with little or no management, in accordance with the agency's strategic plan and performance measures. This proposal is related to the Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 General Fund - Basic Account-State	517,000	448,000	965,000
Total Cost	**517,000**	**448,000**	**965,000**

Staffing	FY 2016	FY 2017	Annual Average
FTEs	3.5	3.5	3.5

Package Description:

This proposal would accomplish the following program priorities:

Increase operational capacity in Olympic, NE and NW Regions: In 2009, due to the budget crisis, the program was forced to eliminate staff in Olympic and Northeast Regions and halved funding in Northwest Region (heavily leveraging remaining NW staff with capital project funding). This proposal will provide full funding for a natural area manager in each of these regions. This will increase the program's ability to provide weed control, volunteer recruitment and support, ecological monitoring and research, environmental education, facilities development and maintenance and site protection on 10 natural areas in Olympic region, 11 natural areas in NE Region and greatly increase management at 8 out of 12 sites in NW Region. Presently these sites are receiving little or no management with Natural Areas Program staff responding only to urgent or emergent issues.

Increase weed control funding on natural areas statewide: With this proposed funding, the public's investment in natural areas (more than $530 million for 152,000 acres at 91 sites) will be protected through an adequate level of weed control and highest-priority restoration activities. Currently, carry-forward funding for the Natural Areas Program supports weed control at only 17 natural areas. This leaves 63 of the most vulnerable natural areas with little or no weed management. Also, funding at some of the highest-priority sites is not sufficient to achieve long-term, effective control of key invasives. This funding request includes $149,000 in goods and services, such as hand tools, field materials, reseeding and herbicides, for directed invasive species control work. For some sites, additional DNR (state) resources also can be used to help leverage federal grant funds.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The State of Washington has invested more than a half billion dollars to secure for this and future generations of citizens a system of natural areas that are managed for multiple purposes, including the protection and maintenance of some of the best examples of native ecosystems and rare plant and animal populations. Once acquired it is important to ensure that these special places are maintained in the best ecological condition possible. This is especially critical as our state and planet face the unknown impacts of global climate adaptation and an increasing human population that places pressure on our state's natural systems. This funding will help ensure that the natural areas under our care are available in good condition for research, environmental education and public enjoyment into the future.

A significant increase will be assured in the number of natural areas that are managed to control invasive species and to maintain the ecological and other values for which they were designated. Invasive species are the second highest threat, after conversion to development, to native ecosystems and plant and animal populations. This funding will increase the program's capacity to control and, where possible, eradicate invasive species that threaten the integrity of the natural heritage features maintained on 63 of the most vulnerable DNR-managed natural areas.

Performance Measure Detail

Activity: A021 Natural Areas

		Incremental Changes	
		FY 2016	**FY 2017**
	Outcome Measures		
001352	Number of natural areas treated to reduce threat from invasive species.	34.00	29.00

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

(See DNR Strategic Plan 2014-17 page 11; link - http://sharepoint/Strategic%20Plan/DNR-Strategic-Plan.pdf)

Yes. Goal 2, E,1 states, "Manage Natural Area Preserves and Natural Resources conservation Areas to protect at-risk ecosystems and species." This funding will allow the Natural Areas Program to enhance implementation to this strategic initiative by providing management for those natural areas that are receiving little or no management due to lack of staffing and weed control capacity.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

(See Governor Inslee's Priorities; link - http://www.governor.wa.gov)

Yes. Governor Inslee's Priorities include the Blue Ribbon Task Force on Parks and Outdoor Recreation with the following strategies and goals:
-Improve access to and preservation of State Parks and other state outdoor recreation lands for the benefit of all Washingtonians;
-Promote education on value of nature and the environment, with a particular focus on educating young people about the science of the environment;
-Enable outdoor experiences where children and their families can connect with, understand more deeply and grow to appreciate the outdoors;
-Foster a healthier planet so future generations have the same (if not better) opportunities we have;
-Promote healthier lifestyles for children and adults, reducing obesity and reliance on health care services; and
-Help other Washington businesses recruit and retain top-notch employees by drawing attention to our exceptional quality of life.

(See Results of Washington; link - http://www.results.wa.gov)
Yes. Increased management for DNR-managed natural areas will promote the following Results Washington priorities:
Goal 2 Prosperous Economy
-Quality of Life
4.1 Increase state agency and educational institution utilization of state-certified small businesses in public works and other

contracting and procurement by 2017.
Goal 3 Sustainable Energy and Clean Environment
-Healthy Fish and Wildlife
2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020
-Working and Natural Lands
4.3 Increase participation in outdoor experiences on state public recreation lands and waters 1% each year from 2012 through 2016.
4.4 Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016.

Natural areas contribute to providing outdoor experiences that promote a greater understanding of and encourages people to care for our natural world. This funding will provide the capacity to support public access and enjoyment of more natural areas statewide.

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

The Washington Wildlife and Recreation Coalition has prioritized stewardship of conservation and recreation lands for the coming legislative session. The WWRC is developing strategies to promote support for increased operating funds for the state land management agencies. The coalition is a natural partner of the DNR Natural Areas Program and has been active in supporting department funding initiatives in the past.

The funding proposal would increase staffing in DNR's Olympic and Northwest Regions, both of which have natural areas that include shoreline and (at some sites) tidelands within and adjacent to Puget Sound. Those DNR regions also have several upland sites within the Puget Sound Basin. This funding will allow better management of those natural areas. Also, increased weed control capacity directly supports the maintenance of Puget Sound prairie habitats referenced in the Agenda. The following items from the Puget Sound Action Agenda are supported by this proposal:
-A2. Protect and Restore Upland, Freshwater, and Riparian Ecosystems;
-A2.1 Protect and conserve ecologically important lands at risk of conversion;
-A.2.1 SC14 Retain forest canopy cover and soils to attenuate stormwater runoff. Promote programs that support retention and increase in forest canopy cover on private and public lands, especially those in priority and sensitive areas;
-A2.2 Implement and maintain priority freshwater and terrestrial restoration projects;
-A.2.2.1 Prairie and oak woodland restoration. WDFW in consultation with DNR, USFWS, and Joint Base Lewis McCord, will implement priority prairie and oak woodlands restoration projects;
-B2. Protect and Restore Nearshore and Estuary Ecosystems;
-B2.1 Permanently protect priority nearshore physical and ecological processes and habitat, including shorelines, migratory corridors, and vegetation particularly in sensitive areas such as eelgrass beds and bluff backed beaches; and
-B2.2 Implement prioritized nearshore and estuary restoration projects and accelerate projects on public lands.

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

The agency does not have sources of alternative funding to support natural area management. DNR trust land management funds cannot be expended on non-trust lands and staff funded through trust management funds cannot be used to manage and maintain natural areas.

What are the consequences of adopting or not adopting this package?

This proposal will provide full funding for a natural area manager in three DNR Regions that at present have no or reduced staff. This will result in 33 natural areas that presently have little or no management attention, being managed and maintained at a higher level. The proposal will also increase the ability of the program to provide critical weed control on 63 of the most vulnerable natural areas with little or no weed management.

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

The proposal will provide staff to better maintain and protect the state's investment in conservation land acquisitions added to the statewide system of natural areas through capital budget funded programs such as the Washington Wildlife and Receration Program (WWRP) or Trust Land Transfer and will allow more timely and efficient implementation or restoration and development grants also funded through WWRP.

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

None

Expenditure and revenue calculations and assumptions

Salary and benefits are included for the following positions:
NR Specialist 3 (1.0 FTE) - to re-establish Natural Area Manager in Olympic Region
NR Specialist 3 (1.0 FTE) - to re-establish Natural Area Manager in Northeast Region
NR Specialist 3 (0.5 FTE) - to increase current NW Natural Area Manager from part-time to full time
Agricultural Research Tech 2 (0.5 FTE) - to implement increased weed control and management at natural areas statewide
Agricultural Research Tech 2 (0.5 FTE) - to implement increased weed control and management at natural areas statewide
Goods and Services and Travel costs are based on program averages.
Weed control increased staff related goods - $29,000
Post-wildfire weed control and monitoring - $20,000
Purchased Services - Weed control contracts and materials - $70,000
Equipment - Laptops for 2 positions (2 x $1,900) = $3,800
Vehicles for 2 positions (2 x $25,500) = $51,000

Agency administration cost is calculated at 27% and shown as Object T.

All costs are ongoing except for equipment.

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

Approximately 20% of this proposal can be tied to the Puget Sound Action Agenda. This represents 1 FTE for a cost of $194,000. This is connected to near term action items as follows:

A2. Protect and Restore Upland, Freshwater, and Riparian Ecosystems - $101,000
B2. Protect and Restore Nearshore and Estuary Ecosystems - $93,000

Object Detail		**FY 2016**	**FY 2017**	**Total**
A	Salaries And Wages	181,000	181,000	362,000
B	Employee Benefits	69,000	69,000	138,000
E	Goods\Other Services	110,000	96,000	206,000
G	Travel	19,000	19,000	38,000
J	Capital Outlays	55,000		55,000
T	Intra-Agency Reimbursements	83,000	83,000	166,000
Total Objects		**517,000**	**448,000**	**965,000**

State of Washington
Decision Package

FINAL

Agency: **490 Department of Natural Resources**

Decision Package Code/Title: **N7 Restore Forest Practices GF-State**

Budget Period: **2015-17**

Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The Governor has requested that agencies submit GF-State reduction packages representing 15% of the agency's 2015-17 maintenance level budget. In response to that request, the Department of Natural Resources (DNR) proposed exchanging $8.2 million of GF-State currently funding the Forest Practices Act and Rules activity with $8.2 million of Aquatic Lands Enhancement Account (ALEA) funding. This proposal requests the reversal of that fund exchange and the restoration of GF-State funding for Forest Practices. Related to Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures		FY 2016	FY 2017	Total
001-1	General Fund - Basic Account-State	4,079,000	4,079,000	8,158,000
02R-1	Aquatic Lands Enhancement Account-State	(4,079,000)	(4,079,000)	(8,158,000)
Total Cost				

Package Description:

The Governor has requested that agencies submit GF-State reduction packages representing 15% of the agency's 2015-17 maintenance level budget. In response to that request, the Department of Natural Resources (DNR) proposed exchanging $8.2 million of GF-State currently funding the Forest Practices Act and Rules activity with $8.2 million of Aquatic Lands Enhancement Account (ALEA) funding.

The 2015-17 carryforward level budget for the DNR Forest Practices Act and Rules activity is about 93% GF-State and 7% Forest Practices Application Account (FPAA). The proposed exchange would change that to about 58% GF-State, 35% ALEA and 7% FPAA.

While ALEA is a viable option for funding Forest Practices, GF-State has been the standard funding source. In addition, reversing the ALEA fund exchange would free up $8.2 of ALEA fund capacity that could be directed towards other 2015-17 state priorities via operating or capital enhancements.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

ALEA funding would be available to apply to other 2015-17 state priorities via operating or capital enhancements. In the past these have funded items such as new appropriations for: 1) the Recreation and Conservation Office (RCO) ALEA Grant capital projects; 2) fund transfers into the Marine Resources Stewardship Trust Account to fund marine spatial planning and ocean acidification projects; 3) policy enhancements to DNR for aquatics land management or natural areas management; or 4) policy enhancements to other state agencies.

Performance Measure Detail

Activity: A016 Forest Practices Act and Rules

Incremental Changes

No measures submitted for package

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

This would depend on where the legislature decided to apply the freed up ALEA. Retaining Forest Practices funding, be it GF-S or ALEA, would maintain the program's support of DNR's 2014-17 Strategic Plan: Goal 3 - Deliver exemplary public resource protection through the Forest Practices Program.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Governor's Priorities-
That would depend on where the legislature decided to apply the freed up ALEA. Given the statutory restrictions on ALEA, it would likely support the Governor's Energy and Climate initiative. Retaining Forest Practices funding, be it GF-S or ALEA, would maintain the program's support to the Governor's priority initiative - Energy and Climate - by ensuring safe, clean water for healthy people and a strong economy as connected to the Clean Water Act. The Forest Practices rules, as implemented through the FP HCP, promote clean water and the greatest level of forestland protection to salmonid species ever negotiated in the nation.

Governor's Results of Washington-
That would depend on where the legislature decided to apply the freed up ALEA. Given the statutory restrictions on ALEA, it would likely support the Governor's Results Washington Inittiative Goal 3 - Sustainable Energy and a Clean environment. Retaining Forest Practices funding, be it GF-S or ALEA, would maintain the program's support to the Governor's Results Washington Initiative Goal 3 - Sustainable Energy and a Clean Environment - Working and Natural Lands.

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

Stakeholders who could potentially benefit from the availability of additional ALEA funding would include the applicants for the RCO ALEA Grant capital project, and state agencies and their constituents who may receive an ALEA enhancement from the legislature. Given the statutory restrictions on ALEA, legislative decisions on funding new enhancements are likely to support Puget Sound Action Agenda's strategic initiative to Protect and Restore Habitat.

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

The alternative would be to retain the $8.2 million ALEA in the Forest Practices program where it would become a significant % of the Forest Practices Act and Rules funding. The primary downside of this is the resulting unavailability of ALEA to fund any new operating or capital enhancements, and the foregoing of the positive impacts of those enhancements.

What are the consequences of adopting or not adopting this package?

The substitution of ALEA for GF-S in the Forest Practices program would be reversed. Forest Practices would remain primarily funded by GF-State. $8.2 million of ALEA would be available for the legislature's use in funding new operating or capital enhancements in the 2015-17 budget.

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

The state has historically appropriated ALEA dollars to the RCO for its ALEA grant program. The reversal of the ALEA fund exchange would free up sufficient ALEA resources to fund a similar capital project in 2015-17. The legislature could choose to fund other capital projects as well.

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

None.

Expenditure and revenue calculations and assumptions

Costs would be shifted from ALEA back to to GF-State.

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

The reversal of the fund exchange is considered ongoing.