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OFM DIRECTOR'S OFFICE

DEPARTMENT OF
NATURAL RESOURCES

OFFICE OF THE COMMISSIONER
OF PUBLIC LANDS

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May 4, 2017

David Schumacher, Director
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

Re: Contingency Planning for Department of Natural Resources Operations on July 1, 2017

Dear Director Schumacher:

There are several activities performed by the Department of Natural Resources (DNR) that fall into one or more of the four categories identified in your memo dated April 25, 2017. They are:

Services that do not require an appropriation, such as from non-appropriated funds

DNR has several activities that are funded by non-appropriated funds. Activities that will continue on July 1 are: fire control and prevention (Forest Fire Protection Assessment Account), state lands road maintenance (Access Road Revolving Fund), seedling production (State Forest Nursery Revolving Account), minimal oversight of recreation sites (Parkland Trust Revolving Account), and repair and maintenance of critical equipment (Natural Resources Equipment Fund). In the event of a shutdown, we intend to maximize the use of our contract harvest program in order to fulfill our constitutional mandate of providing revenue to our trust beneficiaries. Approximately 222 FTEs will carry out the above activities.

Services that must be continued based on certain constitutional mandates and federal law

Article XI of the Washington State Constitution establishes the duty of the state to provide and fund education. A portion of this funding is provided by the sale of timber from state trust lands. The revenues generated by DNR's management of state lands provide essential revenue to these trust beneficiaries. We must maintain a minimum level of staffing for the administration of active timber harvest contracts. Approximately 22 FTEs will carry out these activities.

Services necessary for the immediate response to issues of public safety or to avoid a catastrophic loss to state property

Emergency Fire Suppression – DNR is responsible for conducting fire suppression on nearly 13 million acres of private and state land. It is critical that this activity continue without interruption. DNR uses many private vendors in its fire suppression activities, and FTEs perform

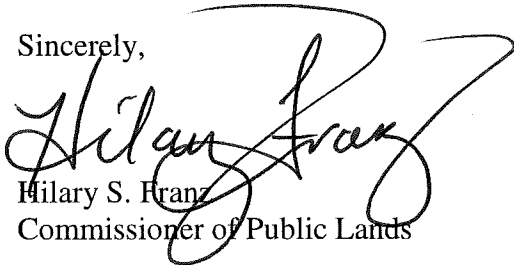
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an important role as well. The number can vary depending on actual fire occurrences, but we estimate approximately 364 FTEs will be used through early fall, many of them being seasonal hires.

Law Enforcement – DNR’s law enforcement officers provide a critical function in protecting public safety and trust assets. They work collaboratively with other state and local enforcement agencies to provide seamless coverage, and their active presence on DNR lands will be essential. Approximately 11 FTEs will carry out this activity. Although we have organized this activity under public safety, all such law enforcement activities will be paid from the non-appropriated Parkland Trust Revolving Account.

In total, DNR would continue to actively employ approximately 619 FTEs in a contingency environment, while approximately 971 FTEs will be placed in temporary layoff. There are many other DNR essential services that do not fall into these narrow categories and, hence, would shut down operations should the legislature fail to make appropriations by July 1, 2017. This includes all of our anticipated capital budget re-appropriations. The shutdown would result in multiple impacts to citizen, state employees, private contractors and small businesses, as you are well aware. I am confident that the activities listed above fall within the OFM and AG guidance, and I intend that they will continue uninterrupted after June 30, 2017.

Sincerely,



Hilary S. Franz
Commissioner of Public Lands