

Agency: 490 Department of Natural Resources
Decision Package Code/Title: 9E Other Fund Adjustments
Budget Period: 2015-17
Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Department of Natural Resources (DNR) requests additional spending authority to align fund balances, revenues and expenditures for programs supported by dedicated accounts. Additional authority will provide resources to: 1) meet legally mandated trust land management activities such as silviculture reforestation requirements, geologic assessments, and research and monitoring; 2) meet public demand for safe and sustainable recreation, reduce dangerous behavior, enhance outreach and volunteer efforts, maintain recreational facilities and trails, reduce maintenance backlog; 3) reimburse management costs incurred by DNR on community trust lands; and 4) collect revenue from various partners and pay expenses for additional LiDAR mapping.

Fiscal Detail

Operating Expenditures		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
01B-1	ORV & Nonhighway Account-State	293,000	1,543,000	1,836,000
02A-1	Surveys and Maps Account-State	1,000,000	2,000,000	3,000,000
041-1	Resource Management Cost Account-State	2,650,000	2,650,000	5,300,000
566-1	Community Forest Trust Account-State		26,000	26,000
Total Cost		3,943,000	6,219,000	10,162,000

Staffing		<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs		9.0	9.0	9.0

Revenue		<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
<u>Fund</u>	<u>Source</u>			
02ASurveys & Mapsacct	0420 Charges for Services	1,000,000	2,000,000	3,000,000
Total Revenue		1,000,000	2,000,000	3,000,000

Package Description:

1. Resource Management Cost Account: \$5,300,000
 DNR manages 2.9 million acres of state-owned trust lands, including forest, range, agricultural, and commercial lands. These lands generate about \$205 million a year in non-tax revenues. It takes hundreds of DNR staff to operate and maintain the many programs and activities funded by the Resource Management Cost Account (RMCA).

Starting in July 2015, the legislature approved agreements with the labor unions to fund cost of living adjustments (COLAs), salary adjustments for targeted job classifications, and increases in pension/health insurance costs. Information was provided to the legislature during the 2015 session that if these cost increases occurred, the impact to DNR would be substantial; therefore the legislature authorized an increase in the fee cap for management of state trust lands from 25 percent to 32 percent. In accordance with Section 972(5) of ESSB 6052, the Board of Natural Resources on August 18, 2015 passed Resolution 1472, approving an increase to 31 percent in the deduction of gross proceeds of all leases, sales, contracts, licenses, permits, easements and rights of way issued by

DNR and affecting state lands.

DNR is requesting additional spending authority that reflects the increase estimated at \$5.3 million for 2015-17 of additional authorized deductions for RMCA. This spending authority will be used in 2015-17 for the legislative approved collective bargaining agreement general wage increases of 3 percent in FY (fiscal year) 2016 and 1.8 percent in FY 2017, salary adjustments for targeted job classifications, state public employee benefit rate changes and pension and DRS rate changes.

Division Operations Manager - Angus Brodie, 360-902-1355

Subject Matter Expert - Duane Emmons, 360-902-1035

2. ORV & Nonhighway Vehicle Account: \$1,836,000

DNR manages 140 recreation sites, over 1,100 miles of trail and dispersed recreation throughout the 2+ million acres of land open to the public. Recreation opportunities include hiking, biking, off-roading, horseback riding, hunting, and fishing. Demand continues to increase for recreational uses, however, due to maintenance backlogs and lack of resources the department has been unable to keep up with the increasing demand for recreation. Diminishing resources has also compromised safety and enjoyment.

In the 2015 session, the legislature passed 2ESSB 5987 (Transportation Revenue) authorizing an increase in gas tax that would supplement additional funding to DNR's Off Road Vehicle (ORV) & Nonhighway Vehicle Account. The Department of Licensing currently books the revenue for the ORV Account and estimate an increase of revenue over the next six years as follows:

FY16 - \$588,000

FY17 - \$1,248,000

FY18 - \$1,348,000

FY19 - \$1,355,000

FY20 - \$1,358,000

FY21 - \$1,363,000

The department is experiencing the following:

- * 10 million plus visits annually to department-managed facilities and trails;
- * Damage to public resources, including trust beneficiary assets, resulting from thousands of unauthorized, user-built trails and structures;
- * Increased risks to public safety as a result of unauthorized, user-built trails and structures;
- * Insufficient enforcement officers to address increasing issues of vandalism, illegal dumping, and environmental and resource damage on state lands;
- * Unauthorized public use on trust lands that impact trust assets and revenue production; and
- * Increased demand for legal, safe and challenging opportunities.

To help address the issues above, additional resources are needed; Therefore DNR is requesting additional spending authority that reflects the increase in revenue to the ORV Account. Additional spending authority will help DNR meet public demand for safe and sustainable recreation, address environmental concerns, and reduce much of the illegal behavior. Additional funding will also enable the department to enhance its outreach and volunteer efforts.

Division Operations Manager - Jed Herman, 360-902-1702

Subject Matter Expert - Brock Milliern, 360-902-1047

3. Community Forest Trust Account: \$26,000

On June 12, 2014, the Community Forest Trust Account was created in the state treasury. All moneys received for the acquisition, sale, management, and administration of the department's duties under RCW 79.155.150 for community forest trust lands including, but not limited to, proceeds from the sale of valuable materials from community forest trust lands, interest earned on investments in the account, and all other revenue related to community forest trust lands created or acquired pursuant are deposited into the account. In addition, the account is authorized to receive fund transfers and appropriations from the general fund, as well as gifts, grants, and endowments from public or private sources as may be made from time to time.

DNR is requesting spending authority for the already generated revenue of more than \$26,000 as well as an ongoing base spending authority for future revenues. The requested spending authority will provide for watershed restoration, recreation planning and access and/or forest health and wildfire prevention.

Budget Manager - Robert Brauer, 360-902-1244
Subject Matter Expert - Matthew Randazzo, 360-902-1099

4. Survey and Maps Account: \$3,000,000

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; therefore the legislature funded DNR additional ongoing General Fund-State (GF-S) dollars in FY 2016 for LiDAR mapping to enable DNR to better serve the needs of the public.

In addition to DNR being funded with GF-S, Senate Bill (SB) 5088 was passed into law on July 24, 2015 allowing the Survey and Maps Account (Fund 02A), which is administered by DNR, to receive additional funds under RCW 43.92 from various partners in the State wanting the collection and analysis of LiDAR mapping. Currently this DNR account generates revenue for costs associated with surveys, digital records of public and private photogrammetry, and various mapping done within the DNR Engineering Division.

With SB 5088 now allowing DNR to collect and hold a new type of revenue from partners contributing to the purchase of LiDAR mapping, additional spending authority is required. DNR is estimating a need for \$3,000,000 each biennium since LiDAR mapping can only be accomplished with very specific weather conditions. That is why SB 5088 gave DNR the flexibility to collect and hold the partner funds until such a time LiDAR mapping can be completed.

These funds will be used to collect LiDAR data for the entire State of Washington where no LiDAR exists. DNR will map landslide deposits and hazard zones for various partners, emphasizing areas where landslide activity could adversely impact infrastructure or public safety.

The following is a list of current partners already committed to purchasing LiDAR mapping.

Partner list	
Source	Amount
Skagit County	\$60,000
Skagit River System Cooperative	\$100,000
Snohomish County	\$30,000
Whatcom County	\$85,000
USGS	\$540,600
Other local, federal, tribes	\$184,400

This request will allow DNR to also create a base spending authority budget for purposes intended in SB 5088. It will allow DNR to continue developing and maintaining up-to-date LiDAR and geological databases for various partners throughout the State where data is low resolution, topography has changed, or data is outdated. DNR's primary interest is in access to LiDAR in geographies where geological hazards present the greatest risks.

DNR State Geologist - Dave Norman, 360-902-1439
Subject Matter Expert - Tara Salzer, 360-902-1465

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

1. Resource Management Cost Account: Additional spending authority will allow the department to avoid staff and other program cuts, which in turn will impact the continuation of generating revenue from state-owned trust lands.
2. ORV & Nonhighway Vehicle Account: This request will contribute to the agency's ability to better meet the following public need

for recreation:

- 1) Improve public safety and reduce state risk - Continuation of the implementation of the departments sign program at recreational trail systems and facilities to reduce negative uses and improve user experience. Decrease in illegal behavior and illegal trail construction by increasing the enforcement program. Reduction of backlogged maintenance which will improve user experience and increase safe opportunities;
- 2) Environmental Protection - Reduce sediment delivery to streams by utilizing proper trail construction techniques and improving trails locations;
- 3) Improving Public Access - Reduce maintenance backlog, provide new access points and trailheads, build trails; and
- 4) Planning - Develop one additional recreation plan.

3. Community Forest Trust Account: Currently, DNR has no spending authority to spend current revenues. Moneys in the account can only be spent after appropriation and used to reimburse management costs incurred by the department on community forest trust lands. DNR will use these funds for:

- 1) Watershed restoration projects;
- 2) Recreation planning and access; and
- 3) Forest health and wildfire prevention.

4. Survey and Maps Account: DNR will coordinate funding with partners, 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.

Performance Measure Detail

Activity: A025 Recreation **Incremental Changes**

No measures submitted for package

Activity: A030 State Lands Management - Asset Planning and Transactions **Incremental Changes**

No measures submitted for package

Activity: A035 State Lands Management - Product Sales **Incremental Changes**

No measures submitted for package

Activity: A038 State Lands Management - Silviculture, Monitoring and Training **Incremental Changes**

No measures submitted for package

Activity: A045 Geological Hazards and Resources **Incremental Changes**

No measures submitted for package

Activity: A047 State Lands Management - Leasing **Incremental Changes**

No measures submitted for package

Activity: A048 State Lands Management - Mapping and Survey

Incremental Changes

No measures submitted for package

Activity: A049 Forest Informatics, HCP and Scientific Consultation, and Research

Incremental Changes

No measures submitted for package

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

1. Resource Management Cost Account: This request supports the following components of the DNR 2014-17 Strategic Plan:

Goal 1: Manage State-Owned Lands For Economic and Ecological Sustainability.

A. Ensure diverse and sustainable revenues from state lands.

2) Maintain healthy, productive, and resilient forests through continued reforestation and active management of forested State Trust Lands.

B. Sustainably Manage Forested State Trust Lands.

1) Successfully implement the Habitat Conservation Plan, including completion of the Marbled Murrelet Long-term Conservation Strategy and the Olympic Experimental State Forest Land Plan.

Goal 4: Clean Up, Restore, and Sustainably Manage Puget Sound.

A. Resource Management Actions that protect and restore habitats, water quality, and ecological function in Puget Sound.

4) Continue and enhance forest management activities that support Puget Sound Recovery.

The spending authority increase request is essential to implement the department's commitment to manage state lands sustainably and to generate revenue for the trust beneficiaries.

2. ORV & Nonhighway Vehicle Account: This request supports the following components of the DNR 2014-17 Strategic Plan:

Goal 1: Manage State-Owned Lands For Economic and Ecological Sustainability.

E. Ensure sustainable recreation and appropriate public use of state lands.

* Update recreation planning-by continuing the public planning process and engaging with stakeholders in both formal and informal planning processes.

* Balance agency resources-by implementing projects and opportunities identified by the public during previous planning process; and by reducing our maintenance backlog.

3. Community Forest Trust Account: This request supports the following components of the DNR 2014-17 Strategic Plan:

Goal 1: Manage State-Owned Lands For Economic and Ecological Sustainability.

B. Sustainably manage forested state trust lands.

E. Ensure sustainable recreation and appropriate public use of state lands.

Goal 2: Protect and Maintain working Forestlands, Habitats, and Other Natural Resources.

C. Increase restoration, forest health, and wildfire hazard reduction treatments across Eastern Washington forests regardless of ownership.

D. Build partnerships to retain working forestlands.

4. Survey and Maps Account: This request supports the following components of the DNR 2014-17 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?

1. Yes, this request is supportive to the Governor's Results Washington Initiative:

Goal 3: Sustainable Energy and a Clean Environment

*Working and Natural Lands -

4.2 - Increase the annual treatment of state forested lands for forest health and fire reduction from 22,000 to 23,500 acres by 2016.

*Clean and Restored Environment -

3.2 - Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020.

2. Yes, this request is supportive of the Governor's Results Washington Initiative:

Goal 3: Sustainable Energy and a Clean Environment

*Clean and Restored Environment -

3.2 - Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020.

4.3 - Increase participation in outdoor experiences on state public recreation lands and waters 1% each year from 2012 through 2016.

Goal 4: Healthy and Safe communities

3. Yes, this proposal is supportive of the Governor's Results Washington Initiative:

Goal 3: Sustainable Energy and a Clean Environment

*Working and Natural Lands

4. Yes, this proposal supports two of the Governor's Result Washington priorities-"Healthy and Safe Communities" and a "Prosperous Economy". Funding 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 allows DNR to provide outreach to governments, tribes, and the public.

This proposal supports the "Resilient Washington State Initiative", a plan to preserve Washington's economic vitality after a catastrophic earthquake. It 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.

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 to a various group of partners.

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.

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

1. Implementation of the Uplands HCP is included in the Puget Sound Partnership's 2012 Action Agenda as a key ongoing program. DNR must continue to fulfill its statutory duties to manage trust assets with undivided loyalty and to sustain the flow of asset-based revenue for future generations. Restoring vital land management activities upholds these obligations and preserves the flow of non-tax revenue to the trust beneficiaries.

The demonstration projects on innovative silviculture and riparian validation monitoring will continue in partnership with research organizations such as the U.S. Forest Service Pacific Northwest Research Station and University of Washington. Federal Services overseeing the Habitat Conservation Plan implementation (USFWS and NOAA Fisheries) will be notified about these projects and will be provided opportunity to review the study plans and participate in the project's implementation. DNR also seeks cooperation with landowners, land managers, and tribes on the western Olympic Peninsula in obtaining LiDAR coverage.

2. Stakeholders will be universally supportive of this proposal. This positively impacts recreation across the state and will aid in reducing maintenance backlog and increase safety on trails and recreation sites. This request is consistent with RCW 46.09.520, which provides funding to DNR for ORV and nonhighway recreation.

3. Having a base appropriation will allow DNR to access available revenues for the purposes set forth in RCW 79.155.150. The Commissioner of Public Lands may cooperate with interested local governments in establishing community forest districts or local working forest districts that are compatible with the goals identified in RCW 79.155 for the community forest trust. The department may provide technical assistance grants to local communities for the purpose of enabling or furthering the development of community forest management plans consistent with this chapter.

4. 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, tsunamis, 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. 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?

1. DNR cannot absorb the costs associated with increases in COLA, salary adjustments for targeted job classifications, and increases in pension/health insurance costs. The only alternative would be to reduce staff and activities, which would reduce revenue for trust beneficiaries.

2. Without this funding the maintenance backlog will continue to grow and eventually recreational opportunities on DNR-managed lands will decrease. This funding allows DNR to reduce maintenance backlog, keep open current recreation sites, and maintain infrastructure that is currently in good condition, but would soon become at risk without this increased funding and support.

3. Spending authority will allow DNR to access fund balance and use existing revenue for its intended purpose. The only other alternative is to not request appropriation and let the fund balance continue to grow.

4. There are no alternatives.

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

1. If this request is not adopted, the long-term environmental health of state managed lands would be diminished as well as potential harm would come to the agency's generating of revenue from timber.

2. DNR manages over 1,100 miles of trail and 140 recreation sites. The long-term resiliency of the opportunities is at risk, this package will help secure the future of the Recreation Program.

3. DNR will continue to deposit revenue into this account from a variety of sources. Adopting this request allows DNR to use available revenue as intended.

4. Adoption of this package will 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?

1. DNR generates about \$114 million every biennium for common school and university construction dollars appropriated through the capital budget by the legislature to build schools across the state. Without these important investments in the state's trust lands, revenues could suffer and so would Washington's schools and universities.

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

None.

Expenditure and revenue calculations and assumptions

1. Resource Management Cost Account: (Fund 041) -

Starting in FY 2016, the additional RMCA spending authority will be used to support additional expenses created from the cost of living adjustments (COLAs), salary adjustments for targeted job classifications, and increases in pension/health insurance costs. It is assumed additional revenue will be generated by the percentage change to support these additional expenses; therefore in FY 2016, additional costs for salary and benefits are estimated at \$2,650,000 each year, for a total of \$5.3 million each biennium. These costs will be ongoing.

2. ORV & Nonhighway Vehicle Account: (Fund 01B) -

Starting June 1, 2016 and ongoing, additional staff and associated costs will be needed in the division and all six of DNR's regional offices to: 1) maintain current trails, trailheads, bridges, and other infrastructure; 2) maintain enforcement where grants used to fund and increase enforcement of rules and protection of state uplands and decrease illegal trail building; 3) decrease the backlogged maintenance on state lands that includes bridges, restrooms, parking areas; and 4) increase user experience and outreach by installing signs that communicate to users.

Division: 1.0 FTE, Natural Resource Specialist (NRS) 3 -

This position will manage the grant funding in the Recreation Program. Grants vary year to year, but normally DNR manages roughly 30-40 separate grants at any given time period, and DNR expends roughly \$1.5 to \$2.5 million each year in grant funding.

South Puget Sound Regional Office: 2.0 FTE, 1.0 NRS 1 and 1.0 NRS 2 -

These two positions will work in the Tahuya and Snoqualmie/Tiger Mountain areas. This is necessary for public safety and protection of state lands. The Snoqualmie area continues to grow, and the additional recreation workload has led to an increased need for project management, public outreach, development and maintenance work.

Olympic Regional Office: 1.5 FTE, 1.5 NRS 1 -

These positions will work in the Straits District and the Coast District. This is necessary for public safety and protection of state lands. Currently, the coast district has only one staff to support all the recreation on the coast. The additional staff will add capacity to the current workload and the foreseeable increased workload.

Southeast Regional Office: 1.0 FTE, 1.0 NRS 2 -

This position will work mainly as a volunteer coordinator. With the increase in recreation, this position is essential to the mission of the agency by helping ensure public safety when visiting DNR recreation sites.

Northwest Regional Office: 2.0 FTE, 1.0 NRS 1 and 1.0 NRS 2 -

The NRS 2 will manage the recreation areas in Whatcom County some of Skagit County. The NRS 1 will support the maintenance, development and safety on newly developed sites in Skagit and Snohomish Counties.

Pacific Cascade Regional Office: 1.0 FTE, 1.0 NRS 1 -

This position will support maintenance and development of new trails in the Yacolt Burn and help implement new projects throughout the region.

Northeast Regional Office: 0.5 FTE, 0.5 NRS 1 -

This position will support the Loomis and Loop Loop areas and support larger events in the Pend Orielle area.

Total costs in FY 2016 include 9.0 staff for one month, one-time equipment for new staff (\$20,000), material costs estimated at \$28,000, road & parking lot maintenance work estimated at \$25,000, one-time costs for the purchase of two new bridges estimated at \$40,000 each, and travel costs estimated at \$17,000, for a total of 0.8 FTE and \$293,000.

Total costs in FY 2017 include 9.0 staff costs for twelve months, one-time equipment costs for nine new vehicles estimated at \$232,000, material costs estimated at \$15,000, road and parking lot maintenance work estimated at \$100,000, and travel costs estimated at \$108,000, for a total of 9.0 FTE and \$1,543,000.

Ongoing costs starting in FY 2018, include \$100,000 each year for road and parking lot maintenance work, \$100,000 each year for ADA compliant toilet repair and replacement costs on recreational sites, and travel costs estimated at \$95,000 each year, for a total of 9.0 FTE and \$1,312,000 each year.

3. Community Forest Trust Account (Fund 566) -

Starting in FY 2017, DNR is assuming expenditures under Object E (Good & Services). DNR is also assuming at least \$26,000 of revenue each year. Starting in FY 2018 and ongoing, DNR requests \$26,000 each year for a base budget; however, they will only use this spending authority when revenues exist and are available for expenditures.

4. Survey and Maps Account (Fund 02A) -

Revenue -

DNR already has commitments of \$1,000,000 in FY 2016 for LiDAR mapping as shown above. DNR is estimating another \$2,000,000 of commitments in FY 2017 for LiDAR requested by a various group of partners.

Expenditures -

In FY 2016, cooperative purchasing agreements estimated at \$1,000,000 will be put in place between DNR and each partner requesting LiDAR. Given the higher relative costs of collecting LiDAR where terrain and weather patterns are challenging, the partner share will vary. The average base price for the cost of LiDAR collection over the United States is estimated at \$600 per square mile. For FY 2017, DNR is estimating cooperative purchasing agreements in the amount of \$2,000,000. Ongoing costs, starting in FY 2018, are estimated to be \$1,500,000 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?

1. Resource Management Cost Account: All costs will be ongoing.
2. ORV & Nonhighway Vehicle Account: All costs will be ongoing with the exception of one-time equipment in FY 2016 and FY 2017.
3. Community Forest Trust Account: All costs will be ongoing.
4. Survey and Maps Account: All costs will be ongoing, but are estimated to be \$1,500,000 each year starting in FY 2018.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	2,026,000	2,452,000	4,478,000
B Employee Benefits	678,000	862,000	1,540,000
E Goods\Other Services	1,112,000	2,092,000	3,204,000
G Travel	17,000	108,000	125,000
J Capital Outlays	44,000	332,000	376,000
T Intra-Agency Reimbursements	66,000	373,000	439,000
Total Objects	3,943,000	6,219,000	10,162,000

Agency: 490 Department of Natural Resources
Decision Package Code/Title: C1 Increase Firefighting Capacity
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Washington has endured two consecutive record-breaking wildfire seasons that have inflicted catastrophic harm on communities and landscapes. There's an urgent need to increase in-state, on-call wildfire suppression capacity to protect public safety, natural resources and ecosystems, threatened wildlife populations, and the economic viability of communities across the State. To prepare for and respond to wildfires, DNR requests funding to increase firefighting capacity of DNR and local partners by adding: grants to support local fire districts, coordinated pre-season fire training with agency and contract partners, more contracts for heavy equipment and aircraft, contract and asset management support, and fireline safety supervision.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		24,279,000	24,279,000
Total Cost		24,279,000	24,279,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.0	50.0	25.0

Package Description:

The Department of Natural Resources (DNR) is the State of Washington's on-call wildfire department with statutory responsibility to protect 13 million acres of state-owned and private forest land. Responding quickly and aggressively fighting wildfires minimizes their duration, damage, and ultimate suppression cost. DNR strives to contain wildfires to the smallest size possible. However, without additional personnel, equipment, and training for DNR and local partners, the resources available are insufficient to meet the growing scale of wildfire risks. DNR and our partners must have sufficient firefighting capacity to protect the public, communities, and natural resources.

In the past two fire seasons approximately 1.5 million acres have burned. Homes and businesses have been destroyed and precious lives have been lost in Washington wildfires. It is imperative to interrupt the trajectory of increasing wildfire devastation with adequately prepared, equipped, coordinated, and professional wildland firefighting forces statewide. DNR requests General-Fund State (GF-S) funding to better prepare this agency and our local firefighting partners for rapid initial response and surge capacity. Likewise, fire fuels on the landscape must be reduced drastically to stem the intensity and rapid growth of fires and provide anchor points from which wildland firefighters can stop wildfires from spreading.

The components of this proposal are:

- A. Preparedness and Rapid Emergency Response Capacity

DNR will organize and coordinate pre-positioned emergency response resources to rapidly deploy to high-risk areas .

1. A grant program will be created with \$6 million GF-S to help local fire districts modernize and increase their capacity with equipment and training. This expansion of DNR's partners' capacity will act as a resource multiplier for existing state and federal resources. One DNR Grant Specialist (NRS2) will administer the grants.

2. To increase firefighting readiness, DNR will add resources to support both rapid emergency deployment and surge capacity for efficient and cost-effective management of larger incidents.

a. DNR will develop and position rapid response task forces comprised of a combination of DNR, local fire district, and contract resources to be deployed on a moment's notice. These pre-positioned rapid response forces will include engines, hand crews, dozers, tenders, aviation assets, and fireline leadership. This will enhance DNR's ability to respond rapidly across the most fire-prone landscapes utilizing experienced and knowledgeable local staff. DNR's ability to safely, effectively, and promptly deploy fireline resources will be assisted by:

- Three additional FTEs (WMS 1) to add senior fire commanders in acutely fire-prone regions to coordinate local and regional fire response.
- Six additional DNR fire FTEs (Fire Unit Foresters - NRS2) to provide supervision and incident command for resources at the region unit level.
- Eight FTEs (Fire Forester-NRS1) to directly supervise fire engines and other responding resources during initial attack.
- One FTE Wildfire Fiscal Accountability Specialist (WMS1) to provide expert oversight and counsel to maximize cost-effectiveness of suppression activities and to guard against waste, unjustified expenses, or fraud.
- One geographic specialist Logistics Dispatcher (NRS3) to procure logistical resources for initial attack and large fire needs.
- A Wildfire Intel Coordinator FTE (NRS3) to standardize and compile reports of resource availability, needs, and gaps in critical resource categories.
- A Fire Response Coordinator FTE (NRS3) to facilitate coordination among DNR, federal, and local dispatch centers to ensure timely prioritized dispatch of scarce resources.

b. For expanded aerial firefighting capacity during initial emergency response:

- One FTE (Wildfire Division Assistant Division Manager for Aviation-WMS 2) will be added for programmatic supervision of both DNR and contracted aviation fire suppression resources.
- Two additional FTEs (NRS3) will fill critical needs for aviation dispatch.

c. To modernize outdated emergency response communications, DNR will invest in radio communications systems maintenance and upgrades (\$1.2M) in coordination with partners through the State Interoperability Executive Committee.

3. To raise capability and capacity of Washington's collective firefighting forces, DNR will coordinate a program of ongoing comprehensive interagency wildfire training and capacity improvements for state, local, and tribal fire personnel and private fire resource contractors.

DNR will conduct coordinated wildfire training to interagency standards, expanded to include local fire districts, Washington National Guard, tribes, and private contractors.

- One DNR FTE (Fire Training Specialist - NRS3) will coordinate interagency training among state, local, tribal and federal partners.
- Six FTEs (Training Coordinators - NRS3) will facilitate regional training programs that include direct assistance to local fire districts to achieve wildfire training and equipment standards.
- One FTE (Contract Specialist - NRS2) will proactively enroll and provide training for wildfire suppression contractors (particularly heavy equipment operators and other local resources) prior to the start of fire season.
- DNR will plan and conduct classroom and live-fire field exercises for DNR's partners to participate alongside DNR employees in professional wildland firefighter training.

B. Wildfire Prevention and Fuels Reduction

Approximately 2.7 million acres of the 10 million acres of forestland in eastern Washington are at high risk of damage by disease, insects, and wildfire. Decades of past management practices have changed the structure of these forests, resulting in species compositions in overstocked stands that are susceptible to intense burns. Climate change is expected to worsen these challenges. Homes built on and near forestland have increased human exposure to these risks.

- Funding will be added (\$500,000) for contracts with communities willing to commit to being Firewise (create defensible spaces

around structures, take precautions during fire season, educate neighbors).

- Funding will be added so that more wildfire fuel reduction and forest health restoration can be conducted in the near term to reduce the ferocity of fire behavior in wooded landscapes (\$2 million for private lands; \$2 million for state trust lands).
- Three additional FTEs (Wildfire Prevention Coordinators-NRS3) will implement Firewise, wildfire prevention education, and other community outreach programs, and coordinate the grants and contracts that help landowners reduce fire fuels .
- Four additional FTEs (Stewardship Foresters-NRS2) will serve as local contacts who provide information and technical assistance to landowners regarding effective fuel reduction techniques, and administer contracts to accomplish grant-funded work .
- Five Fire Wardens (NRS1) will patrol fire-prone areas to ensure landowner compliance with grant and contract requirements, burn permit conditions, and industrial fire precaution levels.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Efficient and rapid response with sufficient resources to contain wildfires to ten acres or less 95 percent of the time . Responding quickly, with adequate resources, helps keep wildfires small and reduces the overall costs of fire suppression . Funds will be used to hire, train, and place additional resources in strategic locations in areas at greatest risk for wildfires in order to reduce response times as conditions escalate during the fire season.

With prevention and fuel reduction funding, DNR will aim to enroll at least 100 more Firewise communities and conduct fuel hazard reduction treatments on at least 17,000 acres of forested land.

Performance Measure Detail

Activity: A011	Fire Preparedness - Training and Forest Fire Protection Assessment	Incremental Changes
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No measures submitted for package

Activity: A012	Fire Regulation and Prevention	Incremental Changes
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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 Safely, 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, Goal 1 : 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 :

- 1) 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.
- 2) Promote policies and opportunities to grow jobs.
- 3) 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 firefighting and forest fuel treatment programs, and enrolling more private contractors as proposed, are small but deliberate opportunities to grow jobs. Effective wildland firefighting safeguards related industries, 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 generated 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 aftereffects of wildfire, such as flooding and barrenness of earth, do affect ecosystems beyond the immediate vicinity of the burn scar. Effective forest health treatments and wildland fire suppression yield 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 alternatives to maximize suppression resources. A full contingent of engine and helicopter resources, with sufficient staff support and safe supervision, is the most cost effective method of having a positive impact on DNR's fire suppression mission.

Although media messaging about wildfire hazards is prevalent and heavily promoted by DNR, public response seldom materializes in action without DNR's proactive involvement with communities and landowners. The Firewise program has proven effective and yields self-reliant local preparation for wildfires. Cost-shared contracts for forest health/fuel reduction treatments have resulted in thousands of acres improved, accompanied by landowner investment in reducing wildfire risk.

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

DNR will have improved ability to aggressively attack wildfires to strive to contain wildfires to ten acres or less during all but the most active periods of fire occurrence. 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 forces are 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.

Reducing wildfire hazards around communities and in forested landscapes also benefits public safety and public funds. With more community engagement in creating defensible spaces around structures, firefighters will be more likely to succeed in structural protection. As more landowners address overstocked forest stands in poor health, and reduce wildfire ladder fuels, firefighters will be more likely to contain fires to smaller areas of acres burned.

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

NOTE: All the staff listed below will be ongoing starting July 1, 2016 and include ongoing associated costs for goods & services and travel.

A. Preparedness and Rapid Emergency Response Capacity - TOTAL FY 2017 COSTS: \$17,926,000

1. Grant Program FY 2017 costs: \$6,131,000

Grants - \$6,000,000 (decreases in FY 2018)

- 1.0 FTE Grant Specialist - Natural Resource Specialist (NRS2) - \$131,000 (includes \$9,000 in one-time costs for workstation and computer).

*Starting in FY 2018, and each year thereafter, annual grant costs will decrease to an estimated \$3,000,000 for an ongoing cost of \$3,122,000 each year.

2. Rapid Deployment Task Force FY 2017 Costs: \$3,204,000

- 3.0 FTEs (WMS1) will add Senior Fire Commanders in acutely fire-prone regions to coordinate local and regional fire response - \$523,000 (includes \$104,000 in one-time costs for workstations, computers & 3 vehicles).

- 6.0 FTEs Local Wildfire Response Leaders (NRS2) will provide localized, hands-on supervision and incident command for resources at the region unit level - \$941,000 (includes \$208,000 in one-time costs for workstations, computers & 6 vehicles).

- 8.0 FTEs Wildfire Resource Supervisors (NRS1) will directly supervise fire engines and other responding resources during initial attack - \$1,177,000 (includes \$279,000 in one-time costs for workstations, computers & 8 vehicles).

- 1.0 FTE Wildfire Fiscal Accountability Specialist (WMS1) will provide expert oversight and counsel to maximize cost-effectiveness of suppression activities and to guard against waste, unjustified expenses, or fraud - \$149,000 (includes \$9,000 in one-time costs for workstation and computer).

- 1.0 FTE Logistics Dispatcher (NRS3) will procure logistical resources for initial attack and large fire needs - \$138,000 (includes \$9,000 in one-time costs for workstation and computer)

- 1.0 FTE Wildfire Intelligence Coordinator (NRS3) will standardize and compile reports of resource availability, needs, and gaps in critical resource categories - \$138,000 (includes \$9,000 in one-time costs for workstation and computers).

- 1.0 FTE Fire Response Coordinator (NRS3) will facilitate coordination among DNR, federal, and local dispatch centers - \$138,000 (includes \$9,000 in one-time costs for workstation and computer).

*Starting in FY 2018, and each year thereafter, costs will decrease to an estimated \$2,577,000 each year.

2a. Expanded Aerial Firefighting Capacity FY 2017 Costs: \$443,000

- 3.0 FTE Aviation Assistant Division Manager & Aviation Dispatchers (1 WMS2 & 2 NRS3) for programmatic supervision of both DNR and contracted aviation fire suppression resources - \$443,000 (includes \$28,000 in one-time costs for workstations and computers).

*Starting in FY 2018, and each year thereafter, costs will decrease to an estimated \$415,000 each year.

2b. Emergency Communication Equipment FY 2017 Costs: \$1,200,000 (these are one-time costs)

3. Coordinated Wildfire Training FY 2017 Costs: \$6,948,000

Training Program costs \$5,700,000 (decreases in FY 2018)

- 7.0 FTEs Fire Training Specialist & Fire District Support Coordinators (NRS3) will coordinate interagency training among state, local, tribal and federal partners. They will facilitate regional training programs that include direct assistance to local fire districts to achieve wildfire training and equipment standards - \$1,116,000
 - 1.0 FTE Grant Specialist (NRS2) will proactively enroll and provide training for wildfire suppression contractors (particularly heavy equipment operators and other local resources) prior to the start of fire season - \$132,000
- (These costs include \$227,000 in one-time costs for workstations, computers & 6 vehicles).

*Starting in FY 2018, and each year thereafter, annual training program costs will decrease to an estimated \$3,000,000 for an ongoing cost of \$4,021,000 each year.

B. Wildfire Prevention and Fuels Reduction - TOTAL FY 2017 COSTS: \$6,353,000

Contracts - \$500,000 (ongoing)

Fuel Reduction & Forest Health Private Lands - \$2,000,000 (ongoing)

Fuel Reduction & Forest Health Trust Lands - \$2,000,000 (ongoing)

Prevention and Fuels Reduction Staffing - \$1,853,000 (includes \$416,000 in one-time costs for workstations, computers and 12 vehicles)

- 3.0 FTEs Wildfire Prevention Coordinators (NRS3) will implement Firewise, wildfire prevention education, and other community outreach programs, and coordinate the grants and contracts that help landowners reduce fire fuels .
- 4.0 FTEs Stewardship Foresters (NRS2) will serve as local contacts who provide information and technical assistance to landowners regarding effective fuel reduction techniques, and administer contracts to accomplish grant-funded work .
- 5.0 FTEs Fire Wardens (NRS1) will patrol fire-prone areas to ensure landowner compliance with grant and contract requirements, burn permit conditions, and industrial fire precaution levels.

*Starting in FY 2018, and each year thereafter, costs will decrease to an estimated \$5,937,000 each year.

Agency administration cost will require 5.0 FTE starting in FY 2017 and 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?

The one-time costs include computers for new staff, vehicles and \$1.2 million for the radio communications systems maintenance and upgrades. All other costs are ongoing.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages		2,528,000	2,528,000
B Employee Benefits		1,012,000	1,012,000
E Goods\Other Services		16,929,000	16,929,000
G Travel		207,000	207,000
J Capital Outlays		2,192,000	2,192,000
T Intra-Agency Reimbursements		1,411,000	1,411,000
Total Objects		24,279,000	24,279,000

Agency: 490 Department of Natural Resources
Decision Package Code/Title: E1 Earthquake and Tsunami Hazards
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Washington suffers physical and economic harm annually from our many geological 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. To best inform decision makers and reduce public and economic risk related to earthquakes and tsunamis, a need for high-quality data is needed. Public access to improved inundation assessments would significantly enhance decisions. The Department of Natural Resources (DNR) requests funding for the development of earthquake and tsunami geological maps and databases that would be readily accessible to the public.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		540,000	540,000
Total Cost		540,000	540,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.0	3.8	1.9

Package Description:

In the 2015-17 biennium DNR received funding for acquiring LiDAR for landslide hazards. DNR is now able to produce much needed landslide inventories and hazard maps as a result. However, no funding was given for key issues regarding earthquake and tsunami hazards that pose a far greater danger to Washington. 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 geological hazards including earthquakes, volcanoes, tsunamis, 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 9.0 earthquake and deliver a tsunami to the coastal area in fewer than 30 minutes. In addition, recent earthquake and tsunami events in other parts of the world, such as Japan (2011), Chile (2010), 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 an economy, as well as providing new scientific observations that are advancing the state of the practice for earthquake and tsunami hazard assessments.

Washington currently lacks sufficient accurate geological information 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 well identified and documented. Washington citizens also appear to want better information about the earthquake and tsunami hazards that may affect them, and meaningful reliable information rather than sensationalized stories such as the recent New Yorker article about the Cascadia Subduction earthquake.

Additional staff will help 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, and a berm adjacent to Long Beach Elementary, that will provide refuge for 850 people. Higher resolution output also allows for delineation of evacuation routes that are more likely to be successful. Additionally Washington's industry and population is concentrated in the Puget Sound Basin; it, too, is at risk from tsunami inundation and has not been fully evaluated.

This request will give the department resources needed to do a proper assessment of earthquake and tsunami hazards and develop and maintain geological databases used for critical decision making, taking advantage of recent advances in earthquake and tsunami hazard assessment made possible by recent events. Recent funding to the DNR, Geology Division has bolstered the landslide hazard program; however, the Geology Division has only two geologists devoted to earthquakes and tsunamis. Data and information developed through this request will greatly improve DNR's knowledge of the earthquake and tsunami hazards, and the risks associated with them. This information will be communicated and readily accessible to local governments, state agencies, tribes, federal government, and the public.

DNR will collect data, develop extensive geological hazard Geographic Information System (GIS) maps based upon that data, and make it available for the public and governmental entities engaged in critical decision making processes. GIS maps and subsurface data needed to support earthquake research will be made available on the Web, the Geology Interactive Portal, and mobile application products. The data and maps will provide information that can potentially save lives and reduce economic losses from 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 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, as well as better preliminary design data for tsunami vertical evacuation structures.

Specifically DNR will:

- * produce regionally comprehensive susceptibility, hazard, and risk maps and GIS databases for use by local and state government;
- * respond to earthquake and tsunami emergencies as they arise and provide technical assistance to Emergency Management Division and local government during geological hazard events;
- * 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;
- * develop liquefaction and site class maps for counties and cities for appropriate identification for earthquake hazard Critical Area Ordinances (CAO);
- * develop 3D geologic models-tools used to enhance the conservation of resources such as groundwater and active fault identification and assessment;
- * complete development of 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 and Emergency Management Division, develop programs of public education to increase awareness of-and

preparedness for-damaging tsunamis;

* in collaboration with technical partners and local governments, perform detailed inundation modeling for the preliminary design of tsunami evacuation refuges;

* 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 .

Performance Measure Detail

Activity: A045 Geological Hazards and Resources

		Incremental Changes	
		<u>FY 2016</u>	<u>FY 2017</u>
Output Measures			
001224	Number of geologic hazard assessments completed and communicated to the affected local government(s).	0.00	2.00

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 2014-17 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?

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."

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

This proposal addresses hazards throughout Washington State, including the Puget Sound Basin; therefore no stakeholders should oppose this request. As information is developed, government entities, commercial enterprises, and developers will be able to use the data and maps to interpret areas of risk from geological hazards. DNR's geological hazard work is very useful to other agencies because there can be tremendous degradation to infrastructure, waters, and the environment from earthquakes and tsunamis . For example, the Washington State Department of Transportation could use the resulting information to help reduce bridge and highway destruction from earthquakes or tsunamis. The Departments of Ecology and Health, as well as the Puget Sound Partnership could use the information for decision making, as geological hazard events directly impact water quality and the environment . This information could also be used in community and highway planning as well as emergency responses .

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

The Growth Management Act rules for geologically hazardous areas (WAC 365-190-120) recommend classifying the following hazard 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). Without detailed geological hazard GIS maps, it increases the likelihood of land being classified as an unknown risk, which will potentially require an applicant applying to a local jurisdiction for a land-use permit to pay a higher cost to demonstrate the fact that there is a lack of risk.

The potential risk associated with earthquake and tsunami 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. 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 earthquakes and tsunamis. 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 will result in more extensive and robust databases, geological products, and technical assistance supporting decisions that are directly associated with the risk of earthquake and tsunami hazard analysis, such as 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?

None.

Expenditure and revenue calculations and assumptions

Earthquakes -

In FY 2017 and ongoing, DNR will require 1.0 FTE Natural Resource Scientist (NRS) 3 for its Earthquake Program. Currently, there is only one NRS position in the Geology Earthquake Program and it's partially funded by grants. The new position 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 is the data needed to implement seismic provisions to building codes, 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; 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; 7) work with local jurisdictions on implementation of these tools in CAOs and mitigation plans; and 8) collaborate with Emergency Management Division to mitigate earthquake hazards. The Puget Sound Basin is one of the highest risk areas for earthquakes, and as such, work will be prioritized in this area. Continued research will be done on the outer coast of Washington to understand Cascadia events.

Tsunamis -

In FY 2017 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 only one NRS position in the Geology Tsunami Program and it's partially funded by grants. The new position 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; 7) in collaboration with technical partners and local governments, perform detailed inundation modeling for design of tsunami evacuation refuges; and 8) collaborate with Emergency Management Division to mitigate earthquake hazards.

Data Management and Support -

In FY 2017 and ongoing, DNR will require 1.0 FTE Information Technology Specialist 4 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 the data.

Total costs in FY 2017 will be 3.0 FTE and \$540,000. Starting in FY 2018 and ongoing, program will need the above requested 3.0 FTE and \$450,000 each year.

Agency administration cost will require 0.8 FTE and 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 with the exception of one-time equipment for new staff.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages		218,000	218,000
B Employee Benefits		77,000	77,000
E Goods\Other Services		67,000	67,000
G Travel		19,000	19,000
J Capital Outlays		40,000	40,000
T Intra-Agency Reimbursements		119,000	119,000
Total Objects		540,000	540,000

Agency: 490 Department of Natural Resources
Decision Package Code/Title: F1 Forest Practices Reinvestment
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

Since 2009, the Department of Natural Resources (DNR) Forest Practices programs has experienced a 36 percent increase in Forest Practices Applications (FPAs) and reductions in the general fund-state budget. DNR is requesting additional Forest and Fish Support Account (FFSA) spending authority in fiscal years 2017, 2018, and 2019. This reinvestment will add field capacity for FPA review and compliance, small forest landowner technical support, add field expertise for applications involving unstable slopes and landslide hazards, increase training on Forest Practice Rules, and enhance protection of cultural resources. Related to Puget Sound Action Agenda Implementation.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
11H-1 Forest and Fish Support Account-State		1,114,000	1,114,000
Total Cost		1,114,000	1,114,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.0	7.0	3.5

Package Description:

The DNR Forest Practices (FP) programs has absorbed a number of budget reductions since 2009. Subsequently, FP program responsibilities continue to increase while program funding and capacity levels have decreased. As of June 30, 2015 the FFSA shows a \$4.1 million fund balance. This proposal requests \$2.9 million over a three-year period, which will add capacity to review and comply FPAs, review applications near potential landslide hazards, and provide additional training and support for family forest landowners. DNR is requesting additional spending authority over a three-year period to spend down the FFSA fund balance for the intended purposes of the fund and address program capacity.

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 begins to restore core functions of the Forest Practices program by providing resources to meet and maintain the commitments made in the Forest Practices Habitat Conservation Plan (FP HCP) and Clean Water Act (CWA) assurances amid increasing application workload and complexity. Specific expected program outcomes areas are as follows:

- 1) Adding a geologist to help regions screen FPAs for potentially unstable slopes and landforms and help prepare the packets for field review by forest practices science team geologists. This provides public safety and public resource protection, and maintains regulatory stability for timber landowners.
- 2) Funding two additional region forest practices foresters will allow a staffing level to insure dedicated field review, compliance, and enforcement on FPAs. This strengthens rule implementation and compliance.
- 3) Funding two small forest landowner foresters: one to provide technical assistance to small forest landowners, to assist small forest landowners inventory and their forest roads, and to prepare checklist road maintenance and abandonment plans; and one to educate small forest landowners about the protection of cultural resources and work with small forest landowners (SFL) in the preparation of stewardship plans to meet Resource Category VII: Protection of Special Resources under the Washington State Integrated Forest Management Plan, and provide assistance in the preparation of FPAs. This adds field capacity for FPA review, compliance and small forest landowner technical support.
- 4) Financing a training coordinator to help with education and outreach through agency wide training opportunities for Forest Practices staff and stakeholders related to Forest Practices rule implementation and protection of cultural resources. The outcome from this funding will lead to increased awareness, education and protection of cultural resources in the forested environment by landowners, DNR and Department of Archeology and Historic Preservation (DAHP).
- 5) Adding an environmental planner to assist other staff in developing strategic compliance initiatives and overseeing specific rulemakings and development or amending of associated sections of the forest practices board manual. This added program capacity is needed to meet Forest Practices Board requested rule makings and guidance resulting from adaptive management program recommendations to the Board.

Performance Measure Detail

Activity: A016	Forest Practices Act and Rules	Incremental Changes
	No measures submitted for package	
Activity: A027	Small Forest Landowner and Stewardship Office	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 following components of the DNR 2014-17 Strategic Plan:

- Goal 2. - Protect and maintain working forestlands, habitats, and other natural resources :
 - D. Build partnerships to retain working forestlands;
 - 4. Work with the legislature to increase DNR's capacity to support family forest landowners through the Small Forest Landowner Office.

- Goal 3. - Deliver exemplary public resource protection through the Forest Practices Program :
 - A. Support DNR staff with improved tools and resources to consistently implement, ensure compliance with, and enforce the Forest

Practices Rules;

3. Conduct regular training on complex or difficult elements of rule implementation.

B. Achieve a compliance rate of 90% or greater for all riparian, unstable slopes and road prescriptions;

2. Pursue innovative compliance strategies for low-performing rule prescriptions that are of high resource importance.

4. Ensure Road Maintenance and Abandonment Plan deadlines are met and, where applicable, process timely extensions.

C. Ensure Forest Practices activities do not increase the naturally-occurring risk, frequency, or severity of landslides;

1. Work with geology scientists, agencies, stakeholders and the legislature to develop and acquire resources for improved landslide hazard identification and field review of Forest Practices Applications.

3. Update scientific research and monitoring strategies employed by the Adaptive Management Program to evaluate regulatory protections.

4. Evaluate Forest Practices Application requirements, and review procedures to assure rule compliance.

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?

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) 4.4a Increase hydraulic project approval compliance rate; and

3) 4.4 Reduce the rate of loss of priority habitats.

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

Other agencies and Tribes whom 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. The agencies include the Washington Department of Fish and Wildlife, Department of Archeology and Historic Preservation, Washington Department of Ecology, US Environmental Protection Agency, US Fish & Wildlife Service, and National Oceanic and Atmospheric Administration-Fisheries.

The Forest Practices Program is committed to working with the Tribes and the Timber/Fish/Wildlife (TFW) Cultural Resources Roundtable (CRR) to jointly address concerns regarding the identification and protection of cultural resources. The proposal is designed to address the nexus between permitting forest practices activities and the protection of cultural resources on state and private forest lands.

Small forest landowners are stewards of about 4.2 million acres of forestland in Washington, and less than one percent of those lands have ever been surveyed for cultural resources. As a group, small forest landowners typically demonstrate a strong sense of stewardship values, and if provided with the necessary information in a voluntary rather than regulatory environment, such landowners are likely to be open and sensitive to cultural resource protection and management options. The small forest landowner forester will work with the training coordinator in developing the training components, implementing the training program and in providing outreach for facilitating landowner and tribal cooperation.

This request is connected to the Puget Sound Partnership's Action Items C4.2.1, C4.2.2, 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?

DNR had requested additional General Fund-State in the 2015 legislative session to support these Forest Practices core programs, but was unsuccessful. DNR also evaluated continuing under the current structure and fiscal resource level in light of increasing application workload, complexity, and basic legal requirements. However, this is not sustainable.

Therefore DNR requests the use of the FFSA fund balance to: 1) increase region interaction and consistency in rule implementation and ensure compliance over the long term; 2) increase professional geological review of FPAs for potentially unstable slopes and provide support in geologic hazard assessments to assure public safety and public resource protection; 3) develop and implement strategic policy initiatives associated with the adaptive management program; and 4) add capacity in the Small Forest Landowner Office to assist small forest landowners to implement road and fish passage protection requirements, and provide cultural resource expertise to educate small forest landowners about cultural resources.

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 begins to restore 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?

Potential changes to the Forest Practices Application, and associated instructions, and Forest Practices Board Manual to incorporate necessary cultural resources components will be needed.

Expenditure and revenue calculations and assumptions

Revenue: Current fund balance in the Forest and Fish Support Account will support this request.

Expenditures:

FP Science Team - Geologist: This proposal adds 1.0 FTE: Natural Resource Scientist 2 (NRScientist 2) with associated costs, for an estimated \$384,000 (\$136,000 in FY 2017, \$124,000 in FY 2018, and \$124,000 in FY 2019). The position will utilize screening tools including available unstable slope maps, 3-D photos and LiDAR to identify and notify the regions of FPAs requiring geologic field review. The Forest Practices Science team geologists are the expert consultants to field foresters for the review of FPAs that are near potentially unstable slopes. 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 cause or accelerate slope failures. This position will enhance the ability to identify potentially unstable slopes and landforms, and enhance the detail and thoroughness of FPA reviews.

FP Operations - Region Field Foresters: This proposal adds 2.0 FTEs: both Natural Resource Specialists 2 with associated costs, as well as two new vehicles at \$29,000 each, for an estimated \$814,000 (\$342,000 in FY 2017, \$236,000 in FY 2018, and \$236,000 in FY 2019). 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 5,500 FPAs received per year; a 36 percent increase over the levels received 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 Forest Practices 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.

Small Forest Landowner (SFL) Office - Forestry Technical Assistance: This request supports 2.0 FTEs: both SFL Specialists at the Natural Resource Specialist 3 level with associated costs, as well as one vehicle at \$29,000, for an estimated \$892,000 (\$338,000 in FY 2017, \$280,000 in FY 2018, and \$274,000 in FY 2019).

One SFL Specialist (NRSpecialist 3) will educate SFLs about the protection of cultural resources and coordinate with the landowners and Tribes to meet and determine if they need a cultural resources plan. The position also works with SFLs with known cultural resources on their lands to develop a process to operationally protect known cultural resources or historical sites, incorporate it into

their stewardship plan, and seek funding sources to help pay for cultural resources assessments. This expert will assist with the region-specific education on cultural resources topics cooperatively presented with Tribes of that geographic area, who will have an immense effect on landowner and tribal cooperative agreements and management plans. The position will also provide assistance to the SFL in the preparation of FPAs.

One SFL Roads Specialist (NRSpecialist 3) provides technical assistance to small forest landowners regarding roads and stream crossing conditions on their landscape. This includes providing an inventory of their forest roads, assisting in the preparation of checklist road maintenance and abandonment plans, and scheduling forest road and stream crossing repairs. This assistance can also include enrollment in the Family Forest Fish Passage Program (FFFPP). This forestry assistance will enable the program to accomplish a CWA assurance milestone associated with the small forest landowner road/water crossing inventory and risk evaluation.

Forest Practices Operations - Strategic Compliance Initiatives: This proposal adds 2.0 FTEs: 1.0 FTE Natural Resource Specialist 3 (NRS3) and 1.0 FTE Environmental Planner 3 (EP3) and associated costs, with an estimated cost of \$810,000 for three years.

This request adds 1 FTE at the NRSpecialist 3 level for an estimated cost of \$433,000 (\$159,000 in FY 2017, \$137,000 in FY 2018, and \$137,000 in FY 2019). The NRSpecialist 3 will provide assistance and advice to region and division staff on the Forest Practices Act and Rules, program policies, and procedures; serve as technical expert during draft rule and board manual writing and reviewing; and work with DNR regions to ensure consistent implementation and use of the Forest Practices Act, Rules and Board Manual. This position helps implement the Forest Practices training program by providing expertise and education through agency-wide training opportunities for Forest Practices staff and stakeholders related to Forest Practices rule implementation. The training coordinator will develop and implement, in consultation with Tribes, a two-tier cultural resources training program for forest landowners, forest managers, Tribal organizations, and agencies. Tier 1 focus is general education on laws, rules, and cultural resources. Tier 2 focus is region-specific education on cultural resources topics cooperatively presented with Tribes of that geographic area. Both tiers require a training coordinator in developing materials for trainings and educational outreach, and in implementing the training program.

This request adds 1 FTE at the Environmental Planner 3 level for an estimated cost of \$377,000 (\$139,000 in FY 2017, \$119,000 in FY 2018, and \$119,000 in FY 2019). The Environmental Planner 3 will assist other staff in developing strategic compliance initiatives and overseeing specific rulemakings and development or amending of associated sections of the forest practices board manual. The planner will enhance the Policy & Services group by assuming much of the workload and enhancing DNR's leadership of the increasing workload connected to the Forest Practices Board and the TFW Policy Committee. This position will provide support for potential rule makings, updates to the Forest Practices Board Manual, changes to the Forest Practices Application (FPA) and FPA Decision forms, improved cooperation on cultural resources, updated cultural resources education and training approaches, other tools to identify cultural resources in the forested environment and expanded data tracking/reporting on landowner/tribal meetings.

Approximately 100% 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. This support to the Puget Sound Action Agenda equates to 7 FTEs and \$2,900,000 of this funding request.

The following PSP Action Items are supported:

- 1) Action Item C4.2.1 - Risk assessment of small forest landowner roads
- 2) Action Item C4.2.2 - Accelerate Family Forest Fish Passage Program implementation
- 3) Action Item C4.2.4 -Track ongoing maintenance and road condition
- 4) Action Item C4.2.5 - Coordination with federal partners in Road Maintenance and Abandonment Plan (RMAP)

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?

These costs are one-time spanning three years (FY 2017-19) by utilizing a portion of the FFSA fund balance.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages		410,000	410,000
B Employee Benefits		160,000	160,000
E Goods\Other Services		64,000	64,000

G	Travel	45,000	45,000
J	Capital Outlays	163,000	163,000
T	Intra-Agency Reimbursements	272,000	272,000
Total Objects		1,114,000	1,114,000

Agency: 490 Department of Natural Resources
Decision Package Code/Title: S1 Emergency Fire Suppression
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

One-time funding is requested for the costs of fire response activity incurred and anticipated during fiscal year (FY) 2016. These costs are projected to be in excess of the Department of Natural Resources (DNR) existing fire suppression appropriation.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	135,611,000	0	135,611,000
001-2 General Fund - Basic Account-Federal	1,618,000	0	1,618,000
Total Cost	137,229,000		137,229,000

Package Description:

This request seeks to fund incurred and anticipated costs associated with emergency fire suppression activities in FY 2016 that exceed DNR's fire suppression appropriation. Firefighting expenses paid by other state agencies are excluded from this request.

At the beginning of each biennium, DNR is appropriated funds for emergency fire suppression. DNR's fire suppression appropriation for FY16 is \$21,055,000 in General Fund-State (GF-S) and \$2,500,000 in the Disaster Response Account (Fund 05H), for a total \$23,555,000.

As with other accounts covering disasters, the legislature funds a baseline appropriation for emergency fire suppression in DNR's biennial budget, and any actual costs exceeding that amount are covered with supplemental funding.

DNR's anticipated FY 2016 GF-S/Disaster/GF-F emergency fire suppression costs, compared to the existing FY 2016 appropriations, indicate a projected need for supplemental funding in the amount of \$137,229,000 (See Attachment A). DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to OFM and legislative staff.

	GF-S	Disaster	GF-F	Total
FY16 Fire Incident Cost-estimate	\$156,666,000	\$2,500,000	\$4,558,000	\$163,724,000
FY16 Allotment Authority	\$21,055,000	\$2,500,000	\$2,940,000	\$26,495,000

FY16 Supplemental Request

This request impacts the DNR activity: Fire Suppression. By statute, DNR has a responsibility to suppress wildfires across 13 million acres of forestlands. DNR also provides assistance when needed to local fire districts and federal agencies for wildland fire suppression, and pursues reimbursement for all eligible costs.

DNR's fire suppression program is committed to: 1) preventing losses to life from fire; 2) ensuring property loss is minimized; and 3) protecting natural resources from damage from wildfires on DNR protected lands. The agency's Fire Suppression performance measure - "Percentage of total wildfires contained at or below 10 acres on DNR protected land" - can be achieved at the 95 % level if funding is adequate to provide sufficient resources for prompt and aggressive suppression response as soon as the fire starts .

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 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.
Goal 2A-2: Suppress wildfires safely, efficiently, and cost-effectively.

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

Yes, 1) Sustainable Energy and a Clean Environment, and 2) Healthy and Safe Communities. Wildfire response is a high priority activity for public safety. DNR is the largest on-call fire department in the state with more than 1,200 permanent and temporary employees who fight fire on more than 13 million acres of state and private forest land.

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 Governor Inslee's Economy priority. Wildland fires have the potential to cause substantial loss to property. DNR strives to keep these losses to a minimum.

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

DNR partners with local fire districts, state and county emergency management organizations, and federal firefighting agencies to successfully combat wildfires.

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

Rapid initial response to new fires, to contain them before they grow large, greatly reduces wildfire costs and impacts. DNR actively pursued cost management actions in FY 2016 fires. Incident commanders and fire management personnel take costs into consideration as an important factor when selecting options for operational decisions (while maintaining safety and fire containment priorities). DNR pursues FEMA Fire Management Assistance Grant (FMAG) funds for FEMA-eligible fires, and bills federal (and other) agencies for their share of interagency fires in which DNR provided response support. DNR also investigates and pursues recovery of suppression expenses for fires started by human negligence.

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

When fire suppression expenses exceed the appropriated budget, the overage would be shifted to the Clarke-McNary fund per RCW 43.88.550. The State Treasurer would reimburse the Clarke-McNary fund by transferring sufficient funds from GF-S or other appropriate funds to cover these expenditures plus interest.

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

This request represents the initial estimate for funds needed to cover actual and projected costs for emergency fire suppression in FY 2016. DNR expects to have more precise expenditure figures prior to the start of the legislative session and will provide them to the Office of Financial Management and Legislative staff.

Submitted figures are from DNR regions based on emergency incident response statistics, adjusted for estimated fire billings, anticipated recoveries, and new fire costs.

Distribution is estimated based on the corresponding proportions of actual costs for FY 2016.

Although FTE's are charged in the total costs of fire suppression, no FTE's are requested.

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

The additional costs associated with fiscal year 2016 fire season are one time.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	30,190,000		30,190,000
B Employee Benefits	8,234,000		8,234,000
E Goods\Other Services	96,060,000		96,060,000
G Travel	2,745,000		2,745,000
Total Objects	137,229,000		137,229,000

**DEPARTMENT OF NATURAL RESOURCES
FY 2016 PL-S1 EMERGENCY FIRE SUPPRESSION INCIDENT COSTS
ATTACHMENT A - 10/8/15**

Fire name or category	Jurisdictional Agencies	County	Cause	Total Cost of Fire - All Agencies (209 Cost to Date)	WSP (State Mobilization)	DNR General Fund State / Disaster Response Account	General Fund Federal / Local	Landowner Contingency Fund	Projected DNR Fire Cost
Type 2 Fires									
Sleepy Hollow	DNR/WFS/BLM	Chelan	Unknown	4,000,000	450,000	2,000,000			2,000,000
Twenty One Mile Grade	BIA/DNR	Ferry	Human	5,000,000					0
231 Fire	DNR/WFS	Stevens	Human	2,511,000	400,000	1,836,000			1,836,000
Horseshoe	FS/DNR	Skamania	Unknown	2,922,000		1,200,000			1,200,000
Douglas County Complex	BLM/WFS/DNR	Douglas	Lightning	1,725,000	470,000	500,000			500,000
Newby Lake	FS/DNR	Okanogan	Lightning	7,053,000					0
PC Complex	DNR	Lewis	Human	1,923,332		1,923,332			1,923,332
Blue Creek	DNR/WFS/FS	Walla Walla	Unknown	10,220,000		8,000,000			8,000,000
Hwy 8	WFS/BIA/BLM/DNR	Klickitat	Unknown	3,600,000	2,500,000	500,000			500,000
Cougar Creek	BIA/DNR/FS	Klickitat	Lightning	23,000,000		8,000,000			8,000,000
Grizzly Bear Complex	FS/ODF/DNR	Columbia	Lightning	24,000,000		1,200,000			1,200,000
Kanixsu Complex	FS/DNR	Pend Oreille	Unknown	26,000,000		10,000,000			10,000,000
(Includes Tower, Onata Creek, Baldy, Greese Creek, Hall Mt, Slate Creek, and S. Fork Slate Trail)				0		0			0
Kettle Complex	FS/DNR/WFS	Ferry/Okanogan	Lightning	9,740,800	1,725,000	182,800			182,800
(Includes Roy Road, N Boulder 2 & Graves Mountain)				0		0			0
Stickpin	FS/DNR/WFS			26,353,814	1,750,000	4,068,200			4,068,200
Renner	FS/DNR/WFS			4,682,430		1,011,200			1,011,200
Okanogan Complex	DNR/FS/WFS/BLM/BIA	Okanogan	Unknown	46,000,000	3,100,000	26,000,000			26,000,000
(Includes 9Mile, Beaver Lake, Lime Belt, McFarland Creek as of 8/30 and Black Canyon as of 8/30)				0		0			0
Twisp River	DNR/FS			2,132,805	575,000	745,400			745,400
North Star	BIA/DNR/USFS			43,079,495	3,500,000	14,000,000			14,000,000
Tunk Block	DNR/BIA			12,142,776		1,500,000			1,500,000
Chelan Complex	DNR/FS/WFS/BLM/BIA	Chelan/Okanogan	Lightning	9,000,000	4,850,000	3,000,000			3,000,000
(Includes Reach, Antoine Creek & Cagle- McFarland Creek thru 8/29 and Black Canyon thru 8/29))				0		0			0
First Creek	FS/DNR	Chelan/Okanogan	Lightning	5,200,000		1,400,000			1,400,000
Wolverine	FS/DNR?	Chelan	Lightning	35,000,000		600,000	3,000,000		3,600,000
Stevens Complex	BIA/BLM	Stevens	Unknown	117,112		41,720			41,720
(Includes , Heine, Finley Gulch, Lime2 & China Creek)				0		0			0
**Marble Valley	DNR/WFS			1,192,174	550,000	700,000			700,000
Gold Hill	DNR			1,000,943		1,000,950			1,000,950
Carpenter Road	DNR/FS/WFS/BLM/BIA			22,545,168	3,750,000	9,174,860			9,174,860
Meeks Table	FS/DNR	Yakima	Unknown	3,000,000		500,000			500,000
June						500,000			500,000
June						1,000,000			1,000,000
									0
Total Type 2 Fires				333,141,849	23,620,000	100,584,462	3,000,000	-	103,584,462

Type 3 Fires									
Williams	DNR/WFS	Stevens	Unknown	1,220,000		1,220,000			1,220,000
Valley Chapel	DNR	Spokane	Unknown	117,000		117,000			117,000
Deep Lake	DNR/BLM	Stevens	Human	1,331,000		386,000			386,000
Cheney Plaza	DNR/FWS	Spokane	Unknown	149,000		149,000			149,000
Neah Bay 200 Line	DNR/BIA	Clallam	Unknown	375,000		375,000			375,000
Newby Lake-Long Draw	DNR	Okanogan	Lightning	327,000		327,000			327,000
Addy	DNR	Stevens	Human	356,000		356,000			356,000
Little Spokane	DNR	Spokane	Unknown	1,022,000		1,022,000			1,022,000
Deckerville	DNR	Mason	Unknown	522,528	200,000	522,528			522,528
Long Lake	DNR	Spokane	Unknown	481,000		481,000			481,000
Coulee Hite	DNR/WFS	Spokane	Unknown	450,000		450,000			450,000
Rutter Canyon	DNR	Spokane	Unknown	600,000		600,000			600,000
Gish	DNR	Lewis	Unknown	508,000		508,000			508,000
Tucannon	DNR/WFS	Columbia	Human	220,000	250,000	220,000			220,000
Alder Lake	FS/DNR	Lewis	Lightning	2,650,000		750,000			750,000
Rye Ridge	DNR	Asotin	Unknown	250,000		250,000			250,000
Gold Rush	DNR	Skamania	Human	538,000		538,000			538,000
Sunnyside	DNR	Mason	Unknown	500,000		500,000			500,000
Horsethief Butte	DNR?	Klickitat	Unknown	185,000		85,000			85,000
Oct				-		250,000			250,000
Oct				-		250,000			250,000
Oct				-		250,000			250,000
June				-		250,000			250,000
June				-		250,000			250,000
Total Type 3 Fires				11,801,528	450,000	10,106,528	-	-	10,106,528

Other Fires									
Type 4 and 5 Fires						11,500,000	1,000,000	250,000	12,750,000
Other Agency and Unclassified Fires						550,000			550,000
Reacting to Fire Potential (i.e., False Alarms, standby/staging)						5,500,000			5,500,000
Reacting to heightened fire danger						650,000			650,000
Out of State Fire Dispatches						-	600,000		600,000
Total Other Fire						18,200,000	1,600,000	250,000	20,050,000

Other Fire Suppression Costs									
Non-Code Cost						3,200,000	-		3,200,000
National Guard						9,000,000			9,000,000
Additional for Mop up for Type 1 and 2 Fires						6,000,000			6,000,000
Additional for Spring 2016 Fire Cost						5,520,000			5,520,000
Contingency 5%						6,425,381			6,425,381
Other Fire Suppression Costs						30,145,381	-	-	30,145,381

344,943,377	24,070,000	159,036,371	4,600,000	250,000	163,886,371
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Projections to Allotments						
FY16 Allotment			GFS/Disaster	GFF/GFL	LOC	Total
			23,493,300	2,981,500	688,000	27,162,800
Supplemental Request - to be determined			-	-	-	-
Attorney General Allotment			61,700	-	-	61,700
Current FY16 Allotment			23,555,000	2,981,500	688,000	27,224,500
Attorney General projected expenditure			130,000	-	-	130,000
Projected FY16 Costs			159,036,371	4,600,000	250,000	163,886,371
Total Projected FY16 Costs			159,166,371	4,600,000	250,000	164,016,371
Difference			(135,611,371)	(1,618,500)	438,000	(136,791,871)

Agency: 490 Department of Natural Resources
Decision Package Code/Title: T1 Teanaway Community Forest
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The 50,000 acre Teanaway Community Forest is key to the restoration of the Yakama River watershed, to the safety of multiple communities during wildfire season, and to stakeholder groups that cherish the landscape. It's managed according to a management plan designed with a committee of concerned communities and user groups, who voted unanimously in its support. Due to lack of funds, the implementation of the plan has been paused, causing concern from stakeholder groups. This investment will jumpstart the implementation of the plan by leveraging outside resources offered to assist with recreational access, watershed restoration, and forest health and wildfire prevention.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
001-1 General Fund - Basic Account-State		471,000	471,000
Total Cost		471,000	471,000
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>
FTEs	.0	1.0	.5

Package Description:

Jointly managed by the Department of Natural Resources (DNR) and the Washington Department of Fish and Wildlife (WDFW), the Teanaway Community Forest is the State's first Community Forest - a new management regime that allows the public to advise the state on the most effective way to manage the property to meet the public's needs and desires. This request will jumpstart the paused implementation of the Teanaway Community Forest (TCF) Management Plan, which was created after the representatives of 20 stakeholder groups and communities donated 18 months of their time to complete an intensive public engagement process. The strong public support for this plan has made available considerable outside resources and assistance if the state has the staff and staff time available to continue the implementation of the management plan for this beloved and heavily utilized property.

This small investment will allow the state to make use of considerable resources being offered towards watershed restoration, recreational planning and access, as well as make more effective use of capital funding provided for forest health and wildfire prevention on an extremely fire-prone landscape.

Watershed Health: Additional funding will allow the beginning of the second phase of planned watershed restoration projects to be completed in partnership with Yakama Nation and Department of Ecology (ECY). The Yakama Nation has multiple projects planned across the watershed, including the Indian Creek floodplain restoration project, that they will be providing considerable expertise and capital to complete. Staff time is needed to ensure that proposed projects are appropriately designed, permitted, and implemented.

Recreation: Representatives of the equestrian, hiking, motorcycle, ORV, snowmobiling, hunting, bird-watching, fishing, and other recreational groups participated extensively in the creation of the Teanaway Community Forest Management Plan . By consensus, they desired and requested a full recreational planning process to ensure a quality recreational experience with compatibility of uses across the landscape, while safeguarding the environmental values to the forest. Additional funding will allow this needed work to begin. Without the completion of this planning process, the thousands of hours of volunteer labor being offered by the user base of the Teanaway will not be utilized due to the inability to guarantee that any changes to the landscape will comply with the completed recreational plan.

Forest Health: Roughly \$300,000 of the 2015-17 Capital Budget has been appropriated to complete forest health and wildfire prevention work on this severely fire-prone property, which abuts thousands of acres of severely sick, dying, or dead forestland managed by the United States Forest Service. This work cannot be completed without the availability of forester staff time to ensure the appropriate and effective planning of this work and its compliance with the management plan and all pertinent regulations and agreements.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request will allow the state to leverage and utilize third-party investments from multiple user groups to implement the Community Forest's management plan, reduce wildfire risk, restore key watershed features, and begin recreation planning .

Purchased in 2013 for \$100 million as a key part of the multibillion dollar Yakama Basin Integrated Plan (YBIP), the Teanaway is not currently fulfilling the conservation and restoration goal outlined in the YBIP, jeopardizing the viability and credibility of the plan . The proposed watershed restoration elements outlined in the YBIP are held up by lack of staff time from state agencies to leverage resources being offered by Yakama Nation and other fishery groups, as well as the ECY . This investment will allow DNR/WDFW to make major progress in partnership with Yakama Nation and ECY in continuing to restore the watershed, which holds immense potential for the recovery of endangered fish species such as spring chinook, steelhead, and bull trout .

The Community Forest currently is extremely prone to wildfires and at immediate risk of being consumed by high-severity fires, yet lack of operating funds for foresters prevent the effective use of available forest health capital resources . This leaves the forest at high risk to devastating wildfires and presents a risk to nearby communities such as Cle Elum and Roslyn . In addition to protecting local communities and key endangered species habitat, this request will protect the state's \$100 million investment in the young and growing forest, which will be commercially viable in decades to come .

The Teanaway's huge recreational user base, which advocated for the purchase, is unable to provide thousands of promised hours of volunteer labor to improve trails, campgrounds, and other resources due to the unfunded recreational plan that needs to be completed . Funding this request will restart the management plan and allow the state to access volunteer resources of a much larger value .

Results include:

- Coordination, review, permitting, and initiation of partner-funded watershed restoration projects;
- Design and installation of projects to improve fish passage on TCF-managed roads;
- Support and management of community groups, recreation user groups, and partners;
- Development of a public process driven recreation plan to direct the long term recreational use of the forest;
- Implementation of health and safety improvements in existing campgrounds; and
- Completion of a forest inventory and a forest restoration plan to guide the use of forest health and wildfire prevention funds .

Performance Measure Detail

Activity: A025

Recreation

Incremental Changes

No measures submitted for package

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 the following components of the DNR 2014-17 Strategic Plan:
Goal 2: Protect and Maintain Working Forestlands, Habitats, and Other Natural Resources.
D. Build partnerships to retain working forestlands.
1) Develop and implement the Teanaway Community Forest Management Plan.

In addition, it supports several important objectives in WDFW's 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?

Yes, this proposal is supportive of and connected to the Governor's Results Washington Initiative 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 sub-goals 4.3 - Increase participation in outdoor experiences on state public recreation lands and waters and 4.4 - Reduce the rate of loss of priority habitats.

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 ESSB 5367 during the 2013 session. The Teanaway is a key piece in implementing the Yakama 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. These goals support the Governor's priorities of Economy and Health Care.

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 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 funding will help this to continue.

The Teanaway is located in Kittitas County at the headwaters of the Yakama Basin watershed. Its acquisition was a key step in implementing the Yakama 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 using 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 very limited ability to implement the goals, objectives and strategies developed in the TCF management plan. This will result in delays and potentially failure to undertake projects meant to restore watershed health,

reduce the risk of catastrophic fire, and maintain or improve recreation access.

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

In FY 2017 and ongoing, a Natural Resource District Manager and associated costs will be required to manage the Teanaway Community Forest in partnership with WDFW. This position will 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. In addition they will coordinate forest health work, habitat management, pre-commercial thinning and noxious weed management objectives, as well as oversee several other Teanaway projects. Costs in FY 2017 also include a one-time technical review agreement contract with WDFW for \$50,000, the purchase of signs, gates, locks and several contracts estimated at \$265,000 for: 1) the design and permitting of RMAP projects; 2) forest inventory and land owner plans; 3) trail inventory; and 4) facilitation services for the recreation plans.

Total costs in FY 2017 will be 1.0 FTE and \$471,000. In FY 2018 costs will be 1.0 FTE and \$263,000, and will decrease to \$213,000 starting in FY 2019.

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?

There will be a one-time \$50,000 cost for a contract with WDFW in FY 2017, otherwise all other costs will be ongoing; however, costs will shift from planning to implementation in outgoing years.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages		64,000	64,000
B Employee Benefits		23,000	23,000
C Professional Svc Contracts		50,000	50,000
E Goods\Other Services		291,000	291,000
G Travel		5,000	5,000
T Intra-Agency Reimbursements		38,000	38,000
Total Objects		471,000	471,000