



Western Forestry Leadership Coalition

LEGISLATIVE UPDATE – FOCUS: FY08 APPROPRIATIONS

January 4, 2008

Contact: Caitlyn Peel, Governmental Affairs Director: 303-445-4363: cpeel@colostate.edu

This document is an addendum to the Legislative & Policy Updates in order to inform the WFLC membership on one key issue. You can find this document posted on the WFLC members' website.

Long overdue, the President has signed an omnibus spending bill providing FY08 funding for the government including the Interior appropriations bill. Until this signing, the defense spending bill was the only spending bill that Congress approved. The President had signed a fourth CR that extended government funding until December 31st and, as expected, the omnibus was signed on December 26th. The President had threatened to veto any spending bills that were higher than his budget request and that did not include military funding without artificial timeframes for troop withdrawal.

Below you will find highlights and analysis of the various S&PF and Wildland Fire Management programs followed by a spreadsheet detailing the funding levels for the USDA Forest Service (USFS). It is important to note that the numbers contained here are based on the amended bill that included a rescission of 1.56% across all programs as part of an agreement between Congressional Democrats and the President to keep the overall budget in line with the President's proposed spending levels.

State and Private Forestry

Forest Health Management – Federal Lands: \$54.1 M and Cooperative Lands: \$44.5 M

The Federal Lands funding stayed level with the FY07 CR funding whereas the Cooperative Lands funding suffered a drop of over two million dollars. Congress directed the USFS to “within available funds” provide funding for western mountain bark beetle management at historic funding levels. This is a positive sign that reports and information on the funding needs in the west, such as the WFLC's *Western Bark Beetle Assessment*, are helping to frame the discussion on forest health issues.

Cooperative Fire Protection – State Fire Assistance: S&PF SFA: \$32.6 M / Wildland Fire Management SFA: \$48.0 M and Volunteer Fire Assistance: S&PF VFA: \$5.9 M / Wildland Fire Management VFA: \$7.9 M)

State Fire Assistance (SFA) and Volunteer Fire Assistance (VFA) both received small increases (within the State & Private and Wildland Fire Management budget areas), but this increased funding is negated by the increase in earmarks within these programs. SFA received \$1.4 million more than FY07 levels, but there are \$7.3 million in earmarks that result in the funding being lower than FY07 levels. The USFS has also been directed to collaborate with the Department of the Interior (DOI), states and stakeholders, on allocation of these assistance grants. The House language was accepted in the final document and it recommended that allocations of fire assistance grants need to look at program needs and “local urgency especially with regard to community protection in the wildland urban interface”. This reduction of investment in the SFA program is troublesome for many reasons, including how full funding of SFA arguably reduces wildland fire suppression costs by reducing community risk.

A related DOI program, Rural Fire Assistance (RFA), received \$5.9 million. This is a significant improvement from FY07 enacted funding levels as RFA did not receive any funds in FY07 and the House and Administration had recommended eliminating funding entirely for this program.

WFLC Legislative Update – FY08 Appropriations

January 4, 2008

Forest Stewardship – \$29.5 M

A \$950,000 earmark for the Chesapeake Bay program was included in the final spending bill, reducing the total to almost \$28.5 million. This is a reduction from the FY07 enacted amount and will reduce the number of stewardship projects that are completed.

Forest Legacy – \$52.2 M

Seven projects in the West were funded, but the project charts and the language in the budget justification do not match, so the final amount of funding is unknown.

Urban and Community Forestry – \$27.7 M

The U&CF funding includes over \$1 million in earmarks resulting in a reduction from FY07 enacted levels. Although two of these earmarks are for U&CF projects in the West, it is still a sign of diminishing Congressional support for the program.

Economic Action Program – \$4.2 M

EAP received funding, but the entire program is earmarked. The level of funding is lower than the FY07 CR level. The program is alive but not well.

Forest Resource Inventory and Analysis – \$4.5 M

This program funding has remained relatively stable since FY06 enacted levels. The funding level for FY08 has been decreased around \$100,000 due to the 1.56% across all programs.

Wildland Fire Management

The language in the amended bill does not require the establishment of a high level commission that would propose alternative methods to fund and manage fire suppression and firefighting capacity as was recommended in the House's interior appropriations bill. The document notes that the Committees on Appropriations and the authorizing committees of jurisdiction are working on these issues. This reflects in part the hard work that has been done by the state forester family and our partners to inform Congress of the need for a wildland fire suppression fix and budget reform.

Wildfire Preparedness – \$665.9 M

The amended bill speaks to the need for maintenance of the level of fire readiness established in FY06 and addresses the Appropriations Committees dissatisfaction at the USFS and DOI's failure to deploy the Fire Program Analysis system. Congress has directed the USFS to provide House and Senate Appropriations committees with a proposal to increase recruitment and retention for Region 5 firefighters (specifically Southern California forests) by February 2008.

Wildfire Suppression Operations – \$845.6 M

The bill provides the full amount of the 10-year average costs of suppression adjusted for inflation. This results in a \$118 million increase over FY07. If the USFS budget is not reformed, and the ever-increasing suppression costs are not addressed, the 10-year average will continue to rise and eat away at other core agency programs.

Hazardous Fuels – \$310.1 M

References to the severity of this fire season and support for the USFS focusing hazardous fuels funds towards high priority treatments in the WUI are at the forefront of this section. Up to \$7 million of these funds can be used for grants to create incentives to increase the use of woody biomass. The approval and funding of this grant program is counterintuitive to the definition of renewable fuels that was recently passed by Congress and signed by the President in the Energy Bill (P. L. 110-140, Title II, Section 201). The definition within the renewable fuel standards (RFS) section removes the ability for fuels from public lands to be credited as renewable fuel. This definition needs to be examined in context of the numerous grant programs and pilot projects that

WFLC Legislative Update – FY08 Appropriations

January 4, 2008

hinge on woody biomass from public lands. The fact that Congress passed this incentives program will be a talking point related to the need to revise the RFS renewable fuels definition.

Funding for the Southwest Ecological Restoration Institutes is included in this section. Northern Arizona University received \$2 MM, New Mexico Highlands University received \$350,000 and Colorado State University received \$250,000. The appropriations bill includes a provision allowing for hazardous fuels funds to be used for treatments on non-Federal lands, up to \$15 M, when treatments are occurring on adjacent federal lands that may impact nearby communities. These funds can be used via the S&PF appropriation authorities. Also included in this section is a provision allowing the Chief of the Forest Service to transfer up to \$10 MM of the hazardous fuels funds to the National Forest System account.

Other Appropriations

Wildland Suppression Emergency Appropriations – USFS: \$222 M and DOI: \$78 M

Emergency funds for wildland fire management were also included in this omnibus appropriations bill under a separate title than the USFS appropriations. The emergency funds are housed in Title V. \$222 million in emergency funds were approved for USFS wildland fire management and \$78 million for DOI in case next fire season results in needs above and beyond the available suppression funds. This emergency funding can only be accessed if all the appropriated funds are either spent or obligated at the time of the request. The Senate and House Appropriations Committees must be notified when this emergency funding is needed. The money can also be used to pay back borrowed funds if necessary. This emergency funding is important due to the fact that suppression costs keep rising and can no longer be covered by the funding contained within the FS and DOI budget.

Forest Products – \$322.5 M

The summary justification expresses support for the President's Pacific Northwest forest plan and says that USFS should allocate timber sales funding to those areas where existing roads are available and where there are lower engineering costs for making roads suitable for harvest activities.

Forest Inventory and Analysis – \$60.4 M

This program received funding at levels consistent with FY06 and FY07 as enacted, although the funding level is impacted by earmarks.

Research and Development Programs –\$225.6 M

The Appropriations Committees agreed with the Senate recommendation that the USFS maintain “base budgets” of individual research stations at or near prior year levels.

Community Forest Restoration Act (PL 106-393) - \$5 M

This Act established a forest restoration program in New Mexico that provides cost-share grants for forest restoration projects that are on federal, tribal, state, county or municipal forest lands within the state.

Timber Roads Purchaser Election Fund Allocation –\$15 M

The USFS will allocate \$15 million to the Regions for vegetative treatments in high risk stands due to insect, disease or drought, for road work in support of vegetative treatments, or for maintaining infrastructure of woody fiber processing where it is critical to sustaining local economies and forest health objectives. These funds will come from the Timber Roads Purchaser Election fund.

Omnibus Appropriations

Updated December 21, 2007

| Program | <u>FY 2006</u> <u>Enacted</u> | <u>FY 07</u> <u>C.R.</u> | <u>FY08</u> <u>Omnibus -</u> <u>Recission</u> |
|---|----------------------------------|-----------------------------|---|
| <i>in millions</i> | | | |
| <u>Forest Health Management</u> | | | |
| Federal Lands | 53.2 | 54.0 | 54.1 |
| Cooperative Lands | 46.9 | 47.1 | 44.5 |
| <u>Cooperative Fire Protection</u> | | | |
| State Fire Assistance | 32.9 | 32.9 | 32.6 |
| Volunteer Fire Assistance | 5.9 | 5.9 | 5.9 |
| <u>Cooperative Forestry</u> | | | |
| Forest Stewardship | 34.2 | 41.9* | 29.5 |
| Forest Legacy Program | 56.5 | 56.5 | 52.2 |
| Urban & Community Forestry | 28.5 | 30.1 | 27.7 |
| Economic Action Programs | 9.5 | 0.0 | 4.2 |
| Forest Resources Inv. & Analysis | 4.6 | 4.6 | 4.5 |
| <u>International Forestry</u> | 6.9 | 6.9 | 7.4 |
| Total | 279.1 | 238.0 | 262.7 |
| <u>Forest and Rangeland Research</u> | | | |
| Forest Inventory & Analysis | 59.4 | 59.4 | 60.4 |
| Research & Development Programs | 219.5 | 221.1 | 225.6 |
| Total | 278.9 | 280.5 | 286.0 |
| <u>Wildland Fire Management</u> | | | |
| Preparedness | 666.0 | 665.4 | 665.9 |
| Wildland Firefighters | | | |
| Fire Operations | 690.2 | 741.5 | 845.6 |
| Other Operations | | | |
| Hazardous Fuels | 281.8 | 301.3 | 310.1 |
| Fire Facilities | 0.0 | | |
| Rehab & Restoration | 6.2 | 6.2 | 10.8 |
| Fire Research | 22.9 | 22.8 | 23.5 |
| Joint Fire Science | 7.9 | 7.9 | 7.9 |
| State & Private Forestry | | | |
| Forest Health Fed | 14.8 | 14.8 | 14.0 |
| Forest Health Coop | 9.9 | 9.9 | 9.9 |
| State Fire Assistance | 45.8 | 46.2 | 48.0 |
| Volunteer Fire Assistance | 7.8 | 7.8 | 7.9 |
| Total | 1752.7 | 1823.8 | 1973.6 |

* EAP monies were included in the Stewardship program in the FY07 CR - shown here for ease of comparison