

# 2019 Annual Report



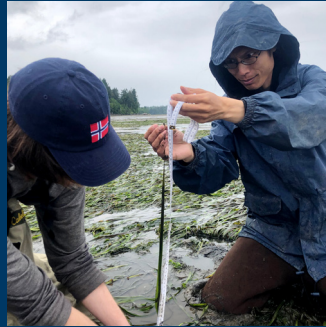
**HILARY S. FRANZ**  
COMMISSIONER OF PUBLIC LANDS

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**Cover Photo**  
Columbia Falls Natural Area Preserve. Photo by Joe Bettis

**Hilary S. Franz**  
Commissioner of Public Lands

\* Fiscal and timber pages account for the revenues DNR generated, collected, and expended during Fiscal Year 2019—July 1, 2018 to June 30, 2019.

This report was prepared by the Washington State Department of Natural Resources (DNR). It provides information required by the following statutes: RCW 79.10.010, RCW 79.64.100 and RCW 79.64.030

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**ABOUT THESE PAGES**

- ▶ These pages account for the revenues DNR generated, collected and expended during Fiscal Year 2019 (July 1, 2018 – June 30, 2019).
- ▶ Most revenues DNR generated are from activities on upland state trust lands and aquatic lands. Distribution of revenue is governed by statute and varies according to trust and revenue source.
- ▶ DNR manages 2.1 million acres of forestlands that generate revenue for state trusts, mostly from timber sales. On pages 31 to 34, DNR provides data on timber management activities on forested state trust lands, as required by RCW 79.10.010(3).

- ▶ Fiscal information is presented as a combination of tables, pie charts, and notes. The notes provide context for the tables.

- ▶ Underlined bold numbers are totals or subtotals.

- ▶ Some pages show dollars in thousands. Totals may not add exactly due to rounding.

- ▶ There is no individual page for the Community College Forest Reserve Trust. (See Fund Activity, page 7).

- ▶ These pages include data for federally granted trust lands and for legislatively established trust lands, including State Forest Lands (formerly known as Forest Board lands). Trusts are listed individually.

- ▶ Counties that contain State Forest Lands, but are not listed for an activity, did not have that activity during Fiscal Year 2019.

# Total Revenue | FY 2019

REVENUE BY SOURCE <sup>1</sup>	FY 2019	FY 2018
Source	Total Funds	Total Funds
<b>Sales</b>		
Timber sale removals	\$222,903	\$196,470
Timber sales-related activities	223	55
Forest road assessments	12,400	14,021
Nursery seedling sales	3,779	4,920
Miscellaneous	534	462
	<b>\$239,838</b>	<b>\$215,929</b>
<b>Leases</b>		
Agriculture	\$24,420	\$25,471
Aquatic	35,501	36,902
Commercial real estate	10,202	10,917
Mineral and hydrocarbon	1,620	2,925
Communication sites	4,907	4,730
Rights-of-way	1,494	1,230
Miscellaneous	2,703	2,706
	<b>\$80,848</b>	<b>\$84,880</b>
<b>Other Revenue</b>		
Interest income	\$1,814	\$903
Fire assessments and cost reimbursement	15,047	29,436
Grants and contributions	26,252	38,769
Permits, fees and related charges	4,275	3,846
Miscellaneous	22,662	9,895
	<b>\$70,050</b>	<b>\$82,848</b>
<b>Total Revenue from Operations</b>	<b>\$390,736</b>	<b>\$383,657</b>
<b>Other Activity</b>		
Land transfers <sup>3</sup>	\$2,948	\$5,198
Land bank <sup>4</sup>	125	1,505
	<b>\$3,073</b>	<b>\$6,703</b>
<b>Total Revenue</b>		
<b>Total</b>	<b>\$393,809</b>	<b>\$390,360</b>

Amounts are reported in thousands of dollars.

**About This Page**

Revenues are shown for two years for comparison. Differences between the years reflect changes in market conditions, legal requirements, availability of resources, and other factors.

Totals may not add due to rounding.  
Amounts reported in thousands of dollars

# Total Expenditures | FY 2019

EXPENDITURES BY PROGRAM <sup>2</sup>	FY 2019	FY 2018
<b>Operating</b>		
Fire Suppression	\$113,532	\$94,597
Product Sales & Leasing	48,332	40,434
Resource Protection	27,244	23,798
Land Management	21,091	22,535
Agency Support	22,614	20,044
Forest Practices	19,688	17,227
Engineering Services	17,550	14,609
Aquatic Resources	19,358	14,992
Interagency Payments	11,996	11,971
Asset & Property Management	7,901	7,418
Administration	6,264	6,171
Geology & Earth Resources	5,283	5,297
Agricultural Resources	1,674	1,614
Law enforcement services	1,630	1,380
<b>Total Operating Expenditures</b>	<b>\$324,156</b>	<b>\$282,090</b>
<b>Capital</b>		
Real Estate and Property Acquisition	14,178	12,180
Facilities & Roads	4,936	23
Puget Sound Corps	3,340	2,687
Forest Health	6,498	1,824
Miscellaneous <sup>2</sup>	2,906	1,266
Recreation & Natural Areas	3,741	589
Aquatic Resource	274	236
Forest Practices	3,909	69
Trust Land Transfers	141	840
<b>Total Capital Expenditures</b>	<b>39,924</b>	<b>19,714</b>
<b>Total Expenditures</b>		
<b>Total<sup>2</sup></b>	<b>364,080</b>	<b>301,804</b>

Amounts are reported in thousands of dollars.

**About This Page**

Expenditures are shown for two years for comparison. Differences between the years reflect changes in the programs, legal requirements, salaries and benefits, inflation, and other factors.

DNR's expenditures reflect the Department's diverse work.

Land management activities, funded by trust land revenue, are investments in the long-term benefits and productivity of the resources. Other activities, funded by non-trust revenue sources, support regulatory, assistance and resource protection programs, as well as agency operations.

Capital expenditures include land acquisitions on behalf of state trusts and natural areas.

Amounts reported in thousands of dollars.

See accompanying notes.

Totals may not add due to rounding.

# DNR-Administered Funds – Revenue and Expenditures | FY 2019

Fund Title	Beginning Balance 7/1/18	Revenue	Expenditure	Ending Balance 6/30/19
<b>Trust Management Accounts*</b>				
Forest development (FDA) <sup>3</sup>	\$3,965	\$26,684	\$(23,453)	\$7,197
<b>Resources management (RMCA) Total</b>	31,799	57,752	(51,201)	38,350
RMCA-Uplands subtotal <sup>4</sup>	12,539	40,418	(36,278)	16,679
RMCA-Land Bank subtotal <sup>4</sup>	7,913	246	(1,946)	6,213
RMCA-Aquatics subtotal	11,346	17,089	(12,977)	15,458
<b>Agricultural college (ACTMA)</b>	450	1,356	(1,425)	381
	<b>\$36,214</b>	<b>\$85,792</b>	<b>\$(76,079)</b>	<b>\$45,927</b>
<b>Other DNR-Administered Funds <sup>14</sup></b>				
Access road revolving	\$8,317	\$12,559	\$(13,674)	\$7,202
Aquatic lands dredged material	384	168	(30)	523
Aquatic lands enhancement <sup>7</sup>	N/A	20,975	(10,933)	N/A
Clarke-McNary	1	15,539	(15,539)	1
Community forest trust	84	56	(1)	139
Conservation areas stewardship	297	23	(226)	94
Contract harvesting revolving	8,487	19,417	(17,986)	9,918
Derelict vessel removal <sup>8</sup>	N/A	68	(1,082)	N/A
Federal lands revolving	(0)	972	(453)	518
Forest and fish support <sup>9</sup>	N/A	59	(5,825)	N/A
Forest fire protection assessment	12,165	10,475	(13,177)	9,462
Forest health revolving	3,864	17,390	(9,435)	11,819
Forest practice application	798	638	(738)	698
Geothermal	18	4	0	21
Landowner contingency forest fire	4,270	816	(6,661)	(1,575)
Marine resources stewardship	142	40	0	181
ORV and nonhighway vehicle <sup>6</sup>	N/A	0	(3,378)	N/A
Park land trust revolving <sup>10</sup>	N/A	304	(2,366)	N/A
Real property replacement <sup>3, 17</sup>	11,447	(1,024)	(1,301)	9,122
Spec forest products outreach/edu	13	0	0	13
State forest nursery revolving	2,117	3,788	(4,408)	1,497
Surface mining reclamation	643	1,945	(1,321)	1,268
Surveys and maps	979	994	(955)	1,018
		<b>\$105,206</b>	<b>\$(109,490)</b>	
<b>Total DNR-Administered Funds <sup>14</sup></b>		<b>\$190,998</b>	<b>\$(185,568)</b>	

Amounts are reported in thousands of dollars.

**About This Page**

DNR’s fiscal activity includes generating revenue for a variety of funds and accounts, some of which benefit state trust beneficiaries and some of which fund state programs, including DNR’s own. DNR’s fiscal activity also includes expenditures supporting its work. Some of the accounts that receive revenue from DNR or that fund DNR’s expenditures are managed by DNR; others are managed by other agencies.

\* These accounts fund DNR’s management of state trust lands. Revenue may be carried over from year to year. As a result, any given year’s expenditures do not necessarily correlate to that year’s revenue.

\*\* The RMCA trust balance includes \$6,213,183 dedicated by law (RCW 79.19) to Land Bank purchases of lands that replace previously sold trust lands.

See pages 8, 18, 20, and 24 for more detailed accounting. FDA and RMCA are funded through revenue generated from the lands whose management they support. ACTMA is not funded through such revenue, but instead, through a legislative appropriation from the State General Fund.

N/A = not applicable

See accompanying notes.  
 Totals may not add due to rounding.  
 Amounts reported in thousands of dollars.

# Other Funds – Revenue and Expenditures | FY 2019

Fund Title	Revenue	Expenditure	Net Fiscal Activity
<b>Trust Current Funds <sup>13</sup></b>			
Common school construction	\$64,300	\$0	\$64,300
Community college forest reserve	1,072	0	1,072
WSU bond retirement	1,389	0	1,389
UW bond retirement <sup>19</sup>	1,345	0	1,345
CEP&RI	2,718	0	2,718
EWU capital projects	27	0	27
CWU capital projects	27	0	27
WWU capital projects	27	0	27
TESC capital projects	27	0	27
Capitol building construction	9,842	0	9,842
Forest board counties <sup>16</sup>	72,726	0	72,726
	<b>\$153,501</b>	<b>\$0</b>	<b>\$153,501</b>
<b>Trust Permanent Funds <sup>13</sup></b>			
Agricultural college (WSU)	\$4,063	\$0	\$4,063
Normal school (EWU, CWU, WWU, TESC)	2,947	0	2,947
Common school (K-12)	703	0	703
Scientific (WSU)	5,408	0	5,408
State university (UW) <sup>19</sup>	665	0	665
	<b>\$13,786</b>	<b>\$0</b>	<b>\$13,786</b>
<b>Other Funds</b>			
General fund	\$33,260	\$(84,523)	\$(51,264)
Air pollution control	391	(197)	194
Budget stabilization	2,444	(42,342)	(39,898)
Cleanup settlement <sup>17</sup>	(1,184)	0	(1,184)
Developmental disabilities community trust	1	0	1
Disaster response	0	(9,329)	(9,329)
Environmental legacy stewardship	0	(60)	(60)
Nova program	0	(546)	(546)
Pension funding stabilization	0	(1,620)	(1,620)
State building construction	20	(32,732)	(32,712)
State toxics control	592	(7,162)	(6,570)
	<b>\$35,524</b>	<b>\$(178,511)</b>	<b>\$(142,987)</b>
<b>Total Activity - Other Funds <sup>14</sup></b>	<b>\$202,811</b>	<b>\$(178,511)</b>	<b>\$24,300</b>
<b>Total All Funds and Activities</b>	<b>\$393,809</b>	<b>\$(364,080)</b>	<b>\$29,729</b>

**Amounts are reported in thousands of dollars.**

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 26-30.

**About This Page**

All revenue for the Community College Forest Reserve Trust was generated from leases. DNR expenditures from the fund were to purchase land for the trust.

See accompanying notes.  
 Totals may not add due to rounding.  
 Amounts reported in thousands of dollars.

# Resource Management Cost Account (RMCA) | FY 2019

	EXPENDITURES	REVENUE
Source		
<b>Beginning Balance (July 1, 2018)</b>		<b>\$31,798,548</b>
<b>RMCA Revenue</b>		
Uplands		40,663,903
Aquatics		17,088,522
<b>Total revenue</b>		<b>57,752,425</b>
<b>Less Expenditures <sup>2</sup></b>		
Agricultural Resources	1,648,597	
Asset & Property Management	1,322,807	
Product Sales and Leasing	12,180,810	
Land Management	8,886,986	
Law Enforcement	851,115	
Correctional Camps	473,996	
Administration	1,604,366	
Interagency payments	4,800,272	
Agency support	6,517,433	
Aquatic resources	8,989,678	
Engineering services	1,979,033	
<b>Total Operating Expenditures</b>	<b>49,255,093</b>	
<b>Total Capital Expenditures</b>	<b>1,946,000</b>	
<b>Total Expenditures</b>	<b>51,201,093</b>	
<b>RMCA Fund Balance (June 30, 2019)*</b>		<b>\$38,349,880</b>

■ **About This Page**

The Resource Management Cost Account (RMCA) funds DNR's Land Management activities on state grant lands. DNR deposits a portion of the revenue it generates from these lands into the account, and the legislature appropriates funds from the account to DNR for expenditures. The RMCA can be used only for land management expenses (e.g., reforestation, preparing timber sales, or managing aquatic leases) that support federally granted state lands.

\* RMCA fund balance includes \$6,213,183 in upland trust reserved for Land Bank sell-first purchases. See page 10 for details.

Totals may not add due to rounding.



# State Grant Lands | FY 2019

Source	REVENUE	DISTRIBUTION		
	Grand Total All Funds	Trust Current Funds <sup>13</sup>	Trust Permanent Funds <sup>13</sup>	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15, 19</sup>	\$90,780,960	\$49,909,834	\$14,119,084	\$26,752,042
Timber Sales-Related Activities <sup>1</sup>	74,469	46,322	4,914	23,233
Trust Land Transfer Program	0	0	0	0
Land Sales (Includes Land Bank) <sup>4</sup>	125,000	0	0	125,000
	<b>\$90,980,429</b>	<b>\$49,956,156</b>	<b>\$14,123,998</b>	<b>\$26,900,275</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$5,472,158	\$3,428,572	\$377,978	\$1,665,609
Irrigated	17,823,671	11,566,652	817,335	5,439,685
Grazing and Other	1,063,238	699,808	39,514	323,915
Aquatic Lands	35,502,697	19,549,129	0	15,953,567
Special Use	2,035,606	1,317,088	89,079	629,439
Commercial Real Estate	10,196,928	6,960,792	76,748	3,159,388
Mineral and Hydrocarbon	1,873,392	1,070,723	111,835	690,834
Rights-Of-Way	1,247,151	589,751	127,351	530,049
Communication Sites	3,050,485	1,833,750	202,161	1,014,574
Special Forest Products	211,187	116,649	29,506	65,031
	<b>\$78,476,513</b>	<b>\$47,132,914</b>	<b>\$1,871,507</b>	<b>\$29,472,092</b>
<b>Other Revenue</b>				
Interest Income	\$1,028,486	\$267,623	\$30,237	\$730,626
Non-Trust Revenue <sup>16</sup>	977,288	601,753	0	375,534
Operating Transfer <sup>1, 12</sup>	113,590	2,718,091	(2,718,091)	113,590
Permits, Fees, and Miscellaneous <sup>1</sup>	640,714	2,110	478,296	160,308
	<b>\$2,760,078</b>	<b>\$3,589,577</b>	<b>\$(2,209,558)</b>	<b>\$1,380,059</b>
<b>Total Revenue</b>	<b>\$172,217,019</b>	<b>\$100,678,647</b>	<b>\$13,785,947</b>	<b>\$57,752,425</b>

**About This Page**

State grant lands (upland and aquatic) were granted to Washington at statehood by the federal government. Each upland parcel is assigned to a specific state trust dedicated to financially supporting a specific beneficiary (e.g., the Common School Trust supports construction of K-12 schools).

The aquatic lands are designated as a public trust to benefit the public as a whole. Income from state grant lands is divided among trust beneficiary accounts and the RMCA, which DNR uses to manage the lands.

Totals may not add due to rounding.

# Resource Management Cost Account (RMCA) Upland | FY 2019

Source	Granted Trusts	Land Bank	Total Uplands
<b>Beginning Trust Balance (July 1, 2018)</b>	<b>\$12,538,690</b>	<b>\$7,913,342</b>	<b>\$20,452,032</b>
<b>Upland Revenue</b>			
Operating Revenue	40,418,061	245,842	40,663,903
<b>Total Upland Revenue</b>	<b>40,418,061</b>	<b>245,842</b>	<b>40,663,903</b>
<b>Less: Expenditures <sup>2</sup></b>			
Agricultural Resources	1,648,597	0	1,648,597
Asset & Property Management	1,322,807	0	1,322,807
Product Sales & Leasing	12,180,810	0	12,180,810
Land Management	8,886,986	0	8,886,986
Law Enforcement	851,115	0	851,115
Correctional Camps	473,996	0	473,996
Administration	1,123,056	0	1,123,056
Interagency Payments	3,030,470	0	3,030,470
Agency Support	4,781,433	0	4,781,433
Engineering Services	1,979,033	0	1,979,033
<b>Total Operating Expenditures</b>	<b>36,278,303</b>	<b>0</b>	<b>36,278,302</b>
<b>Total Capital Expenditures</b>	<b>0</b>	<b>1,946,000</b>	<b>1,946,000</b>
<b>Total Expenditures</b>	<b>36,278,303</b>	<b>1,946,000</b>	<b>38,224,302</b>
<b>Ending Trust Balance (June 30, 2019)</b>	<b>\$16,678,448</b>	<b>\$6,213,184</b>	<b>\$22,891,632</b>

Totals may not add due to rounding.

## ► About Next Page

Generally, by law, each beneficiary of the granted land trusts receives 70 percent of the revenue earned from its lands, and the remaining 30 percent goes to the RMCA to fund DNR's management of the lands. This chart shows the combined distribution in Fiscal Year 2019, with each trust beneficiary's share proportional to its share of the total revenue earned, and with the RMCA share divided among DNR's expenditures from the account for upland management activities.

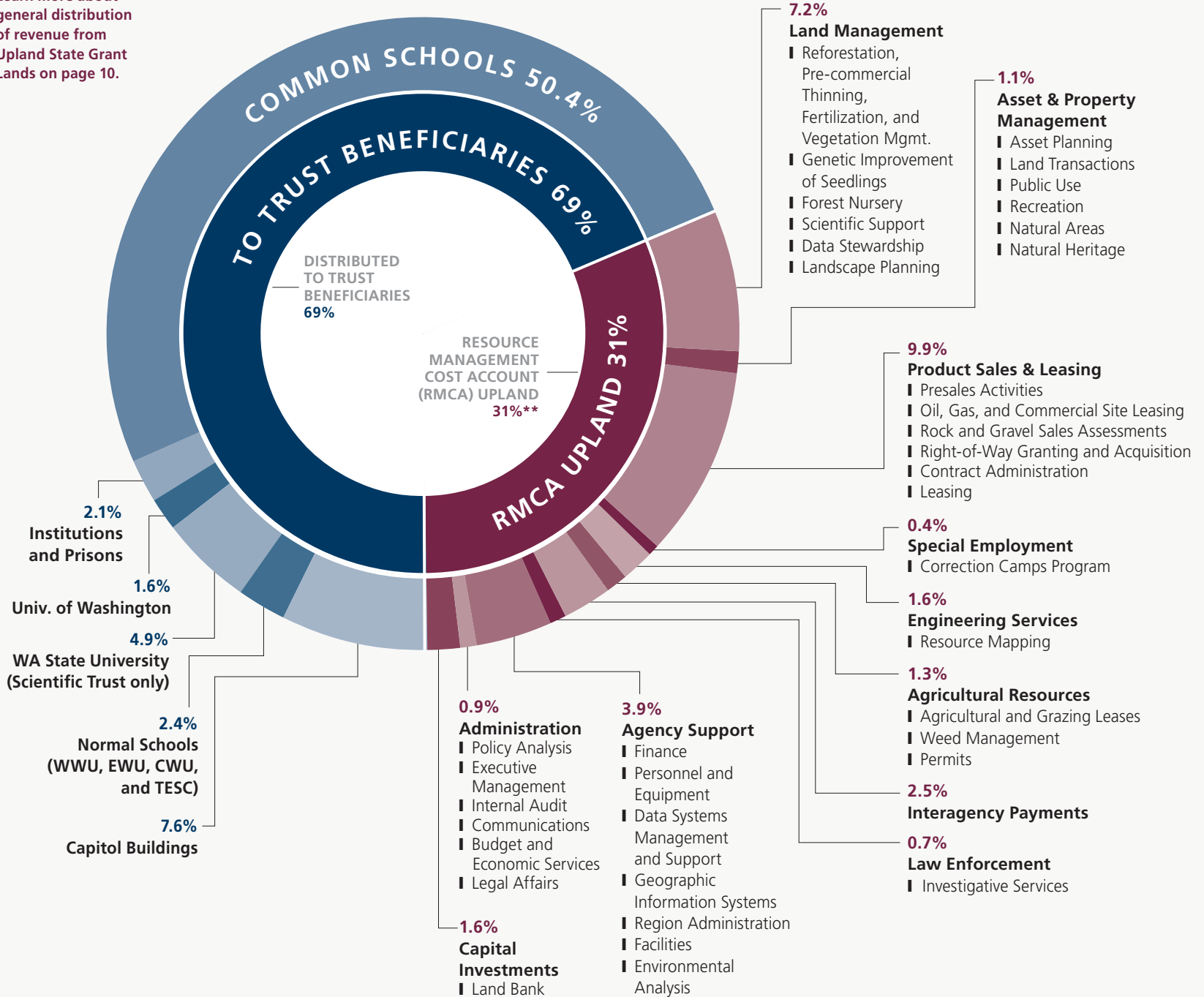
Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future income for the trusts.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contain examples only, not a complete listing. This chart does not include revenue from the Agricultural School trust lands because 100 percent of revenue from those lands is distributed to the trust.

\*\* Per Board of Natural Resources Resolution #1472, the management fund deduction of revenues from granted lands was established at 31 percent, effective 8/18/15.

# General Distribution of Revenue from Upland State Grant Lands\* | FY 2019

Learn more about general distribution of revenue from Upland State Grant Lands on page 10.



\*\*\* Expenditures from Land Bank.

# Common School, Indemnity and Escheat Grants | FY 2019

Source	REVENUE	DISTRIBUTION		
	Total Funds	Common School Construction	Common School Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15</sup>	\$56,436,846	\$38,964,974	\$0	\$17,471,872
Timber Sales-Related Activities <sup>1</sup>	54,370	37,263	(0)	17,107
Trust Land Transfer Program	0	0	0	0
Land Sales (Includes Land Bank) <sup>4</sup>	125,000	0	0	125,000
	<b>\$56,616,216</b>	<b>\$39,002,237</b>	<b>\$(0)</b>	<b>\$17,613,979</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$4,407,980	\$3,041,506	\$0	\$1,366,474
Irrigated	16,710,930	11,530,541	0	5,180,388
Grazing and Other	987,666	681,489	0	306,176
Aquatic Lands	0	0	0	0
Special Use	1,842,286	1,271,171	0	571,115
Commercial Real Estate	10,077,303	6,953,339	0	3,123,964
Mineral And Hydrocarbon	163,808	3,129	109,899	50,781
Rights-Of-Way	225,326	40,722	114,752	69,851
Communication Sites	2,286,920	1,561,428	0	725,493
Special Forest Products	119,981	82,787	0	37,194
	<b>\$36,822,199</b>	<b>\$25,166,112</b>	<b>\$224,651</b>	<b>\$11,431,435</b>
<b>Other Revenue</b>				
Interest Income	\$279,500	\$131,337	\$151	\$148,012
Non-Trust Revenue <sup>16</sup>	193,454	0	0	193,454
Operating Transfer <sup>1, 15</sup>	49,955	0	0	49,955
Permits, Fees, and Miscellaneous <sup>1</sup>	587,958	0	478,296	109,662
	<b>\$1,110,867</b>	<b>\$131,337</b>	<b>\$478,447</b>	<b>\$501,083</b>
<b>Totals</b>	<b>\$94,549,281</b>	<b>\$64,299,686</b>	<b>\$703,098</b>	<b>\$29,546,498</b>

## About This Page

Income from these state grant lands and escheat lands (those with no known heirs) supports construction of state public kindergarten through 12th grade schools.

The beneficiary's share of income is distributed to the Common School Construction Account and the Common School Permanent Account, which generates perpetual interest for the support of school construction. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

# University Grants Original and Transferred (UW) | FY 2019

Source <sup>19</sup>	REVENUE	DISTRIBUTION		
	Total Funds	UW Retirement Bond	State (UW) University Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11</sup>	\$2,520,250	\$0	\$1,750,370	\$769,880
Timber Sales-Related Activities <sup>1</sup>	162	0	0	162
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$2,520,412</b>	<b>\$0</b>	<b>\$1,750,370</b>	<b>\$770,043</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$211,847	\$0	\$145,438	\$66,409
Irrigated	0	0	0	0
Grazing and Other	26,030	0	17,961	8,069
Aquatic Lands	0	0	0	0
Special Use	13,397	0	9,244	4,153
Commercial Real Estate	103,472	0	71,396	32,076
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	1,325	0	914	411
Communication Sites	0	0	0	0
Special Forest Products	18,522	0	12,780	5,742
	<b>\$374,593</b>	<b>\$0</b>	<b>\$257,733</b>	<b>\$116,860</b>
<b>Other Revenue</b>				
Interest Income	\$27,005	\$2,170	\$107	\$24,728
Non-Trust Revenue <sup>16</sup>	5,763	0	0	5,763
Operating Transfer <sup>1, 12, 17, 19</sup>	(16,332)	1,342,927	(1,342,927)	(16,332)
Permits, Fees, and Miscellaneous <sup>1</sup>	201	0	0	201
	<b>\$16,637</b>	<b>\$1,345,097</b>	<b>\$(1,342,820)</b>	<b>\$14,360</b>
<b>Total Revenue</b>	<b>\$2,911,642</b>	<b>\$1,345,097</b>	<b>\$665,283</b>	<b>\$901,262</b>

■ **About This Page**

Income from these state grant lands supports construction of buildings for the University of Washington. Some of these lands were acquired at the time of statehood, and some lands were transferred to this trust from the CEP&RI trust by the legislature in 1893.

The beneficiary's share of income is distributed to the University Permanent and UW Bond Retirement accounts. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

# Charitable, Educational, Penal and Reformatory Institutions Grant (CEP&RI) | FY 2019

Source	REVENUE	DISTRIBUTION	
	Total Funds	CEP & RI Account	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>			
Timber Sales	\$1,905,257	\$1,314,628	\$590,630
Timber Sales-Related Activities <sup>1</sup>	3	0	3
Land Sales (Includes Land Bank)	0	0	0
	<b>\$1,905,261</b>	<b>\$1,314,628</b>	<b>\$590,633</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$460,537	\$317,770	\$142,766
Irrigated	3,783	2,610	1,173
Grazing and Other	12,684	8,752	3,932
Aquatic Lands	0	0	0
Special Use	6,556	4,523	2,032
Commercial Real Estate	11,150	7,694	3,456
Mineral and Hydrocarbon	1,119,115	772,189	346,926
Rights-Of-Way	73,140	50,466	22,673
Communication Sites	302,727	207,716	95,011
Special Forest Products	33,346	23,009	10,337
	<b>\$2,023,037</b>	<b>\$1,394,730</b>	<b>\$628,308</b>
<b>Other Revenue</b>			
Interest Income	\$44,960	\$9,120	\$35,839
Non-Trust Revenue <sup>16</sup>	8,101	0	8,101
Operating Transfer	0	0	0
Permits, Fees, and Miscellaneous <sup>1</sup>	3,257	0	3,257
	<b>\$56,318</b>	<b>\$9,120</b>	<b>\$47,197</b>
<b>Total Revenue</b>	<b>\$3,984,615</b>	<b>\$2,718,477</b>	<b>\$1,266,138</b>

■ **About This Page**

Income from these state grant lands is used to establish and maintain institutions managed by the Department of Corrections (such as prisons) and the Department of Social and Health Services (such as the Western State Hospital).

The beneficiary's share of income is distributed to the CEP&RI Account.

Totals may not add due to rounding.

# Capitol Building Grant | FY 2019

Source	REVENUE	DISTRIBUTION	
	Total Funds	Capitol Building Construction	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>			
Timber Sales <sup>11, 15</sup>	\$13,943,878	\$9,630,233	\$4,313,645
Timber Sales-Related Activities <sup>1</sup>	12,895	9,059	3,836
Land Sales (Includes Land Bank)	0	0	0
	<b>\$13,956,773</b>	<b>\$9,639,292</b>	<b>\$4,317,481</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$46,130	\$31,830	\$14,300
Irrigated	0	0	0
Grazing and Other	5,335	3,681	1,654
Aquatic Lands	0	0	0
Special Use	22,664	15,638	7,026
Commercial Real Estate	(349)	(241)	(108)
Mineral and Hydrocarbon	5,811	4,009	1,801
Rights-Of-Way	78,648	54,267	24,381
Communication Sites	93,633	64,607	29,026
Special Forest Products	13,824	9,539	4,286
	<b>\$265,696</b>	<b>\$183,331</b>	<b>\$82,366</b>
<b>Other Revenue</b>			
Interest Income	\$136,719	\$19,725	\$116,994
Non-Trust Revenue <sup>16</sup>	29,275	0	29,275
Operating Transfer <sup>1, 15</sup>	19,046	0	19,046
Permits, Fees, and Miscellaneous <sup>1</sup>	834	0	834
	<b>\$185,875</b>	<b>\$19,725</b>	<b>\$166,150</b>
<b>Total Revenue</b>	<b>\$14,408,345</b>	<b>\$9,842,348</b>	<b>\$4,565,997</b>

■ **About This Page**

Income from these state grant lands supports construction of state government office buildings at the Capitol Campus in Olympia.

The beneficiary's share of income is distributed to the Capitol Building Construction Account.

Totals may not add due to rounding.

# Normal School Grant (EWU, CWU, WWU and TESC) | FY 2019

Source	REVENUE	DISTRIBUTION		
	Total Funds	EWU, CWU, WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales <sup>11, 15</sup>	\$4,235,959	\$0	\$2,951,752	\$1,284,207
Timber Sales-Related Activities <sup>1</sup>	20	0	42	(21)
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$4,235,979</b>	<b>\$0</b>	<b>\$2,951,794</b>	<b>\$1,284,185</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$54,297	\$37,465	\$0	\$16,832
Irrigated	48,551	33,500	0	15,051
Grazing and Other	8,529	5,885	0	2,644
Aquatic Lands	0	0	0	0
Special Use	37,326	25,755	0	11,571
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way <sup>17</sup>	(7,640)	0	(5,272)	(2,368)
Communication Sites	0	0	0	0
Special Forest Products	1,906	1,315	0	591
	<b>\$142,969</b>	<b>\$103,921</b>	<b>\$(5,272)</b>	<b>\$44,320</b>
<b>Other Revenue</b>				
Interest Income	\$40,253	\$4,544	\$0	\$35,709
Non-Trust Revenue <sup>16</sup>	9,207	0	0	9,207
Operating Transfer <sup>1, 15</sup>	60,920	0	0	60,920
Permits, Fees, and Miscellaneous <sup>1</sup>	1,660	0	0	1,660
	<b>\$112,040</b>	<b>\$4,544</b>	<b>\$0</b>	<b>\$107,496</b>
<b>Total Revenue</b>	<b>\$4,490,988</b>	<b>\$108,465</b>	<b>\$2,946,522</b>	<b>\$1,436,001</b>

■ **About This Page**

Income from these state grant lands supports construction at Eastern Washington University, Central Washington University, and Western Washington University (regional universities). These three universities were originally called 'normal schools.' The Evergreen State College (TESC) was added to this trust by the legislature to begin receiving revenue after July 1, 1995.

The beneficiary's share of income is distributed to the Normal School Permanent Account and capital project accounts for each university. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.



# Scientific School Grant (WSU) | FY 2019

Source	REVENUE		DISTRIBUTION	
	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account <sup>15</sup>
<b>Sales</b>				
Timber Sales	\$7,489,702	\$0	\$5,167,894	\$2,321,808
Timber Sales-Related Activities <sup>1</sup>	6,820	0	4,674	2,146
Land Sales (Includes Land Bank)	0	0	0	0
	<b>\$7,496,522</b>	<b>\$0</b>	<b>\$5,172,568</b>	<b>\$2,323,954</b>
<b>Leases</b>				
<b>Agriculture</b>				
Dryland	\$189,765	\$0	\$130,938	\$58,827
Irrigated	784,106	0	541,033	243,073
Grazing and Other	4,644	0	3,205	1,440
Aquatic Lands	0	0	0	0
Special Use	108,199	0	74,657	33,542
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	15,589	0	10,756	4,832
Communication Sites	532,399	0	367,356	165,044
Special Forest Products	22,199	0	15,317	6,882
	<b>\$1,656,901</b>	<b>\$0</b>	<b>\$1,143,262</b>	<b>\$513,639</b>
<b>Other Revenue</b>				
Interest Income	\$125,238	\$9,399	\$26,973	\$88,867
Non-Trust Revenue <sup>16</sup>	18,876	0	0	18,876
Operating Transfer <sup>12</sup>	0	934,484	(934,484)	0
Permits, Fees, and Miscellaneous <sup>1</sup>	2,670	0	0	2,670
	<b>\$146,785</b>	<b>\$943,883</b>	<b>\$(907,511)</b>	<b>\$110,413</b>
<b>Total Revenue</b>	<b>\$9,300,208</b>	<b>\$943,883</b>	<b>\$5,408,319</b>	<b>\$2,948,007</b>

**About This Page**

Income from these state grant lands supports construction of buildings at Washington State University. The beneficiary's share of income is distributed to the Scientific School Permanent and the WSU Bond Retirement accounts. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

# Agricultural College Trust Management Account (ACTMA) | FY 2019

	EXPENDITURES	REVENUE
<b>Source</b>		
<b>Beginning Fund Balance (July 1, 2018)</b>		<b>\$449,813</b>
<b>Revenue</b>		
Operating Revenue *		3,684
Interfund Transfer from General Fund <sup>5</sup>		1,352,000
<b>Total Revenue</b>		<b>1,355,684</b>
<b>Less Expenditures <sup>2</sup></b>		
Agricultural Resources	45,254	
Asset & Property Management	30,194	
Product Sales & Leasing	587,724	
Land Management	294,680	
Law Enforcement	23,001	
Correctional Camps	15,222	
Administration	49,770	
Interagency Payments	90,434	
Agency Support	207,090	
Engineering Services	81,402	
<b>Total Operating Expenditures</b>	<b>1,424,772</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures and Other Charges</b>	<b>1,424,772</b>	
<b>ACTMA Fund Balance (June 30, 2019)</b>		<b>\$380,725</b>

## About This Page

This account funds DNR's management of the Agricultural College trust lands. The ACTMA is funded through an appropriation from the state General Fund. (As of July 1, 1999, Agricultural College trust lands do not contribute to the RMCA, which supports DNR's management of other state grant lands.)

\*Includes treasurer's interest. See accompanying notes on pages 6-10.

\*Includes treasurer's interest.

See accompanying notes.

Totals may not add due to rounding.

# Agricultural School Grant (WSU) | FY 2019

Source	REVENUE	DISTRIBUTION	
	Total Funds	WSU Bond Retirement	Agricultural College Permanent
<b>Sales</b>			
Timber Sales	\$4,249,067	\$0	\$4,249,067
Timber Sales-Related Activities <sup>1</sup>	199	0	199
Asset Transfer/Loan Repayment	0	0	0
Land Sales (Includes Land Bank)	0	0	0
	<b>\$4,249,266</b>	<b>\$0</b>	<b>\$4,249,266</b>
<b>Leases</b>			
<b>Agriculture</b>			
Dryland	\$101,602	\$0	\$101,602
Irrigated	276,301	0	276,301
Grazing and Other	18,349	0	18,349
Aquatic Lands	0	0	0
Special Use	5,178	0	5,178
Commercial Real Estate	5,352	0	5,352
Mineral and Hydrocarbon	1,936	0	1,936
Rights-Of-Way	6,200	0	6,200
Communication Sites <sup>17</sup>	(165,195)	0	(165,195)
Special Forest Products	1,409	0	1,409
	<b>\$251,133</b>	<b>\$0</b>	<b>\$251,133</b>
<b>Other Revenue</b>			
Interest Income	\$7,848	\$4,842	\$3,006
Non-Trust Revenue	0	0	0
Operating Transfer <sup>12</sup>	0	440,680	(440,680)
Permits, Fees, and Miscellaneous	0	0	0
	<b>\$7,848</b>	<b>\$445,522</b>	<b>\$(437,674)</b>
<b>Total Revenue</b>	<b>\$4,508,248</b>	<b>\$445,522</b>	<b>\$4,062,726</b>

**About This Page**

Income from these state grant lands supports construction of Washington State University's buildings. All revenue from these lands is income for the trust and is divided between the Agricultural College Permanent Account and the WSU Bond Retirement Account. This distribution varies by activity and is governed by law.

Totals may not add due to rounding.

# Forest Development Account (FDA) | FY 2019

	EXPENDITURES	REVENUE
<b>Source</b>		
<b>Fund Balance (July 1, 2018)</b>		<b>\$3,965,416</b>
<b>Revenue</b>		
<b>Operating Revenue</b>		26,683,825
<b>Total Revenue</b>		<b>26,683,825</b>
<b>Less Expenditures <sup>2</sup></b>		
<b>Agricultural Resources</b>	4,216	
<b>Asset &amp; Property Management</b>	336,396	
<b>Product Sales &amp; Leasing</b>	7,873,338	
<b>Land Management</b>	7,617,912	
<b>Law Enforcement</b>	259,604	
<b>Correctional Camps</b>	492,773	
<b>Administration</b>	788,199	
<b>Interagency Payments</b>	1,538,607	
<b>Agency Support</b>	3,288,896	
<b>Engineering Services</b>	1,252,775	
<b>Total Operating Expenditures</b>	<b>23,452,716</b>	
<b>Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures and Other Charges</b>	<b>23,452,716</b>	
<b>FDA Fund Balance (June 30, 2019)</b>		<b>\$7,196,525</b>

See accompanying notes.  
Totals may not add due to rounding.

► **About Next Page**

By law, revenue from State Forest Lands (formerly known as Forest Board Lands) goes to the county in which the land is located, the state general fund for the support of Common Schools, and to the FDA to fund DNR's management of the lands. Distribution differs for Transfer lands and Purchase lands—see the small pie charts.

The large pie chart shows the combined total distribution for Fiscal Year 2019, with the FDA share divided among DNR's expenditures from the account. Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future revenue.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

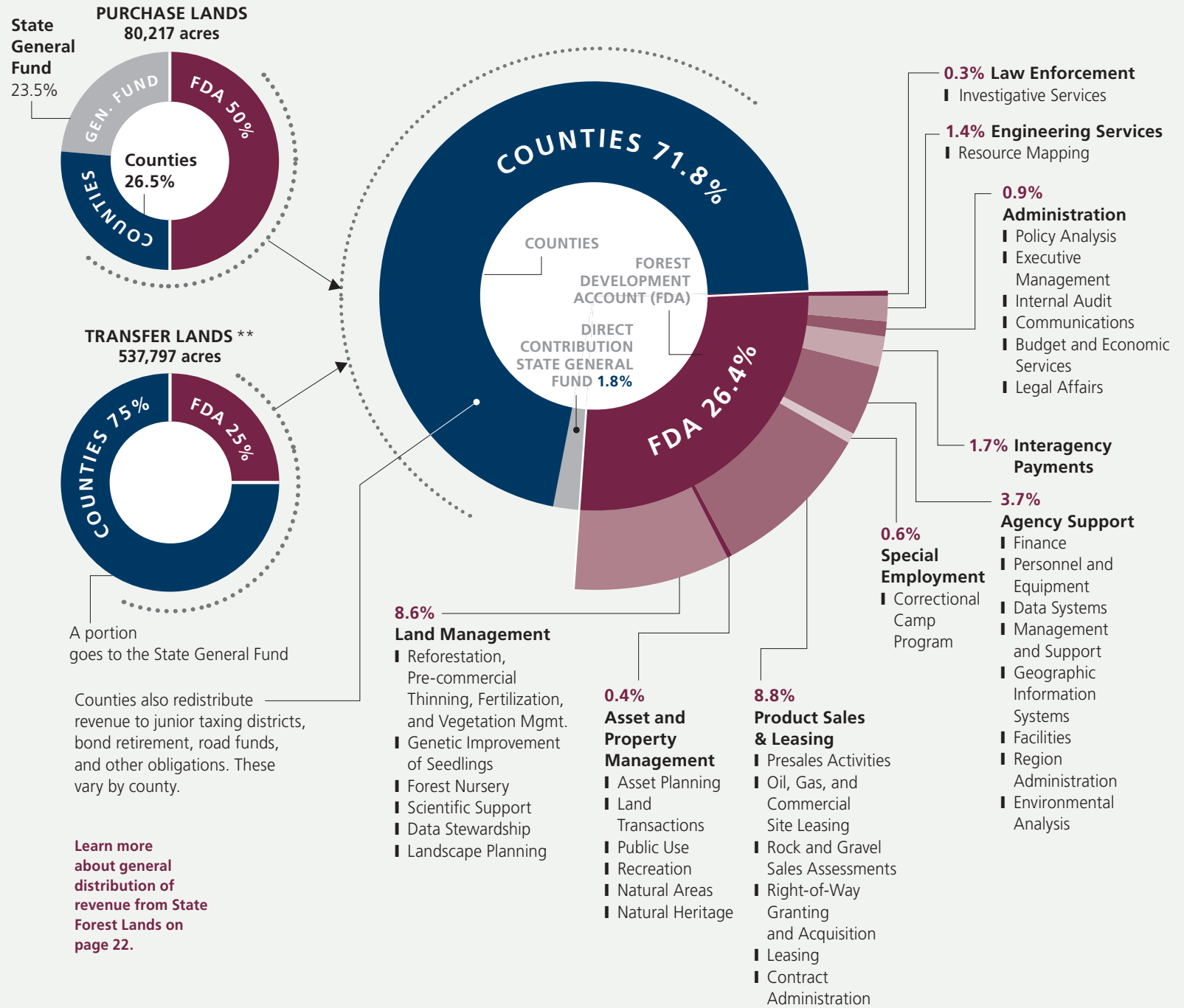
\*\* Per Board of Natural Resources Resolution No.1408, the management fund deduction for FDA was increased to 25% effective 7/2/13.

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 26-30.

**Purchase lands,**  
see definition on page 22.

**Transfer lands,**  
see definition on page 23.

# General Distribution of Revenue from State Forest Lands\* | FY 2019



# State Forest Lands | FY 2019

Source	REVENUE	CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands
<b>Sales</b>			
Timber Sales	\$93,985,388	\$88,227,848	\$5,757,540
Timber Sales-Related Activities <sup>1</sup>	148,602	148,083	520
	<b>\$94,133,991</b>	<b>\$88,375,931</b>	<b>\$5,758,060</b>
<b>Leases</b>			
Agriculture/Minor Forest Products	\$303,306	\$255,212	\$48,094
Commercial/Special Use	122,015	83,911	38,105
Mineral and Hydrocarbon <sup>16, 17</sup>	(253,213)	(253,213)	0
Rights-Of-Way	237,659	220,918	16,741
Communication Sites	1,841,987	1,472,460	369,528
	<b>\$2,251,754</b>	<b>\$1,779,287</b>	<b>\$472,467</b>
<b>Other Revenue</b>			
Interest Income <sup>1</sup>	\$138,118	\$133,773	\$4,344
Permits, Fees, and Miscellaneous <sup>1</sup>	4,199,841	4,199,773	68
Treasurer's Revenue <sup>18</sup>	88,991	N/A	N/A
FDA Non-Trust Revenue <sup>16</sup>	423,181	N/A	N/A
	<b>\$4,850,130</b>	<b>\$4,333,546</b>	<b>\$4,413</b>
<b>Totals</b>	<b>\$101,235,875</b>	<b>\$94,488,764</b>	<b>\$6,234,939</b>

N/A—not applicable.  
Totals may not add due to rounding.

■ **About This Page and Next Page**

Income from these lands is distributed to the counties in which the lands are located, the state general fund for the support of common schools, and the Forest Development Account (FDA) for DNR's Land Management expenses on these lands. There are two categories of State Forest Lands (formerly known as Forest Board Lands): Purchase lands and Transfer lands.

**Purchase lands** were given to the state or purchased by the state at low cost. The FDA receives half the income from these lands. The other half is divided between the respective county and the state general fund for the support of common schools. N/A: Not applicable.

# State Forest Lands | FY 2019 CONTINUED

Recipient	REVENUE	CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands
<b>County</b>			
Clallam	\$5,440,008	\$5,440,008	\$0
Clark <sup>16</sup>	941,637	937,400	4,236
Cowlitz	6,237	111	6,125
Grays Harbor	1,420,157	502,204	917,953
Jefferson	3,750,734	3,750,186	549
King	2,212,194	2,212,194	0
Kitsap	624,733	615,673	9,061
Klickitat	(218)	(218)	0
Lewis	11,388,236	11,329,309	58,928
Mason	5,261,409	5,260,736	673
Okanogan	1	1	0
Pacific	4,233,954	4,211,234	22,720
Pierce	1,211,751	768,127	443,624
Skagit	15,360,883	15,360,883	0
Skamania	5,010,495	4,968,060	42,435
Snohomish	7,138,780	7,138,780	0
Stevens	105,278	105,278	0
Thurston	3,986,921	3,559,724	427,198
Wahkiakum	3,074,095	3,074,095	0
Whatcom	1,469,292	1,454,253	15,038
Treasurer's Revenue <sup>18</sup>	88,991	N/A	N/A
	<b>\$72,725,570</b>	<b>\$70,688,039</b>	<b>\$1,948,541</b>
<b>Forest Development Account</b>			
Trust Activity	\$25,174,156	\$22,716,497	\$2,457,659
Permits, Fees, & Miscellaneous <sup>1</sup>	1,086,489	1,084,231	2,258
Treasurer's Revenue	0	N/A	N/A
FDA Non-Trust Revenue <sup>16</sup>	423,181	N/A	N/A
	<b>\$26,683,825</b>	<b>\$23,800,728</b>	<b>\$2,459,917</b>
<b>General Fund - State</b>	<b>\$1,826,482</b>	<b>\$0</b>	<b>\$1,826,482</b>
<b>Total Revenue</b>	<b>\$101,235,877</b>	<b>\$94,488,766</b>	<b>\$6,234,939</b>

**Transfer lands** were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to the state. DNR now manages these lands and distributes at least 75 percent of the income to the counties and up to 25 percent of the income to the Forest Development Account (FDA).

N/A: not applicable.

N/A—not applicable.

Totals may not add due to rounding.

# Aquatic Resources | FY 2019

Source	REVENUE	DISTRIBUTION	
	Total Funds	Aquatic Lands Enhancement	Resource Management Cost Account <sup>15</sup>
<b>Aquatic Resources Activities</b>			
Leases	\$35,502,697	\$19,549,129	\$15,953,567
Mineral and Hydrocarbon	582,722	291,396	291,326
Rights-Of-Way	854,565	444,295	410,269
Interest Income <sup>1</sup>	366,962	86,486	280,477
Non-Trust Revenue <sup>16</sup>	712,611	601,753	110,858
Miscellaneous <sup>1</sup>	44,135	2,110	42,025
<b>Total Revenue</b>	<b>\$38,063,692</b>	<b>\$20,975,169</b>	<b>\$17,088,523</b>

Totals may not add due to rounding.

Source	EXPENDITURES	REVENUE
<b>Trust Balance (July 1, 2018)</b>		<b>\$11,346,516</b>
<b>RMCA Aquatic Revenue</b>		<b>17,088,522</b>
<b>Less Expenditures <sup>2</sup></b>		
Aquatic Resources	8,989,678	
Administration	481,310	
Interagency Payments	1,769,802	
Agency Support	1,736,001	
<b>Total Operating Expenditures</b>	<b>12,976,791</b>	
<b>Total Capital Expenditures</b>	<b>0</b>	
<b>Total Expenditures</b>	<b>12,976,791</b>	
<b>Trust Balance (June 30, 2019)</b>		<b>\$15,458,247</b>

See accompanying notes.

Totals may not add due to rounding.

## About Next Page

By law, revenue from state-owned aquatic lands goes to the Aquatic Lands Enhancement Account (ALEA) for aquatic resource enhancement and to the RMCA to fund DNR's management of state aquatic lands. Distribution differs for different types of aquatic land — see the small pie charts.

The large pie chart shows the combined total distribution, with the ALEA share divided among state agency expenditures from that account, and the RMCA share divided among DNR's expenditures from the RMCA. Expenditures are appropriated by the legislature and are ongoing investments to keep the submerged lands productive.

\* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

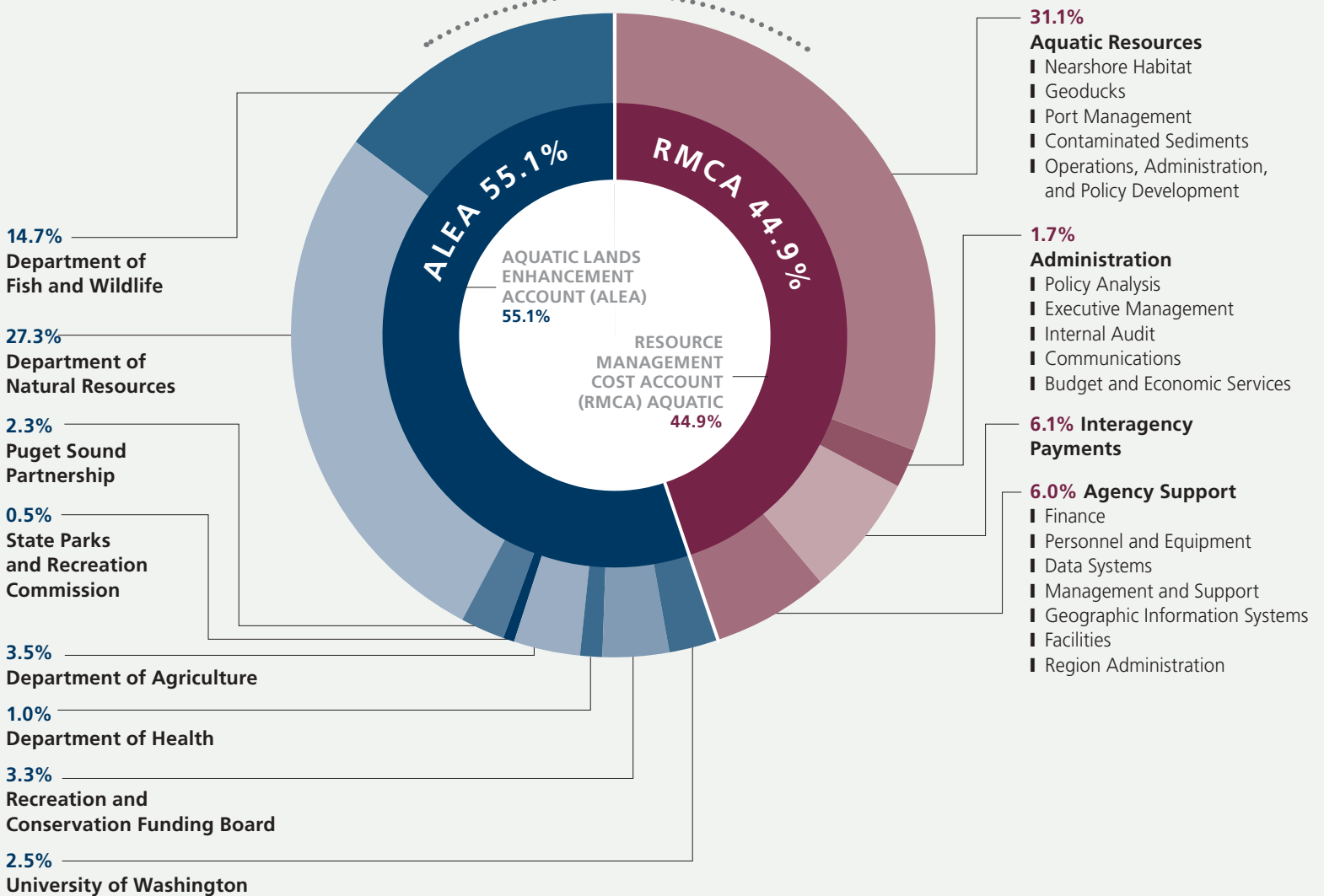
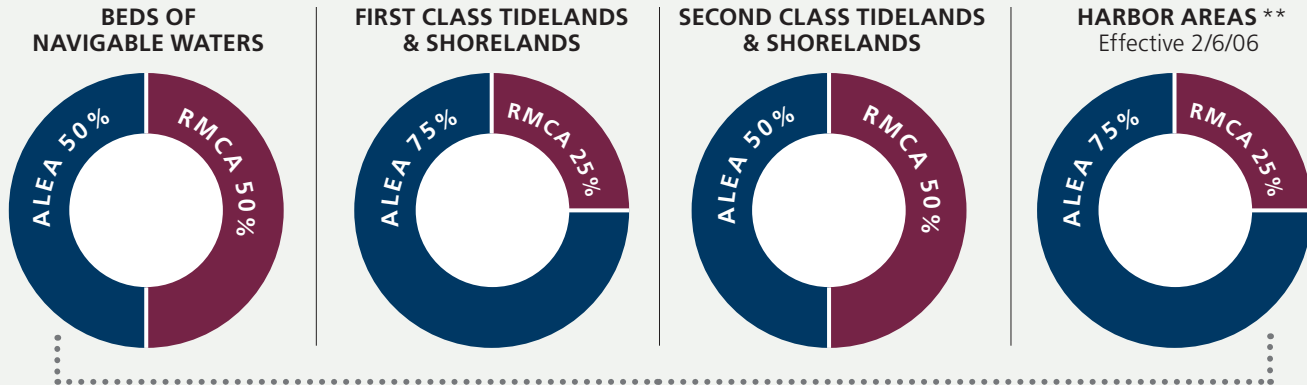
\*\* The ALEA portion of revenue from harbor areas in fourth-class towns is redistributed to those towns twice each year. See fiscal note #7, page 26.

Totals may not add due to rounding. Notes 1 to 20 may be found in Fiscal Notes on pages 26-30.



# General Distribution of Revenue from State-Owned Aquatic Lands\* | FY 2019

Learn more about general distribution of revenue from state-owned aquatic lands on page 24.



# Fiscal Notes

These numbered notes provide context and explanations for data in the tables on the fiscal pages that follow, where they are referred to by numerical superscript. A note may apply to more than one page. Although similar to notes in prior reports, these notes apply only to this report (FY 2019).

## ACRONYMS

<b>ACTMA</b>	Agricultural College Trust Management Account
<b>AFRS</b>	Agency Financial Reporting System
<b>ALEA</b>	Aquatic Lands Enhancement Account
<b>CEP&amp;RI</b>	Charitable, Educational, Penal, and Reformatory Institutions Trust
<b>COLA</b>	Cost of Living Adjustment
<b>CWU</b>	Central Washington University
<b>EWU</b>	Eastern Washington University
<b>FDA</b>	Forest Development Account
<b>FY19</b>	Fiscal Year 2019 (July 1, 2018 – June 30, 2019)
<b>K-12</b>	Kindergarten to 12th grade schools
<b>RMCA</b>	Resource Management Cost Account
<b>TESC</b>	The Evergreen State College
<b>UW</b>	University of Washington
<b>WSU</b>	Washington State University
<b>WWU</b>	Western Washington University

## 1 | REVENUE SOURCES

For reporting purposes, DNR follows the modified accrual basis of accounting per Generally Accepted Accounting Principles (GAAP). Under this measurement focus, revenues are recognized and recorded when they become both measurable and available, i.e., when invoiced.

Timber sales include removals from Contract Harvesting Revolving Account and Forest Health Revolving Account sales. For Contract Harvesting Account sales, allocation to the trusts happens at the time of distribution, generally at the end of the sale.

Timber sale-related activities include contract extensions, slash disposal, trespasses, and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, surveys, and maps.

Miscellaneous leases include special use and special forest products.

Interest income includes interest on contracts, interest assessed for late payments, and interest earned from account (treasurer's interest).

Permits, fees and related charges include surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fees, application/assignment fees, burning permit fees, and local government assessments.

Operating transfers include transfers attributed to prior period revenue.

Miscellaneous other revenue includes prior period adjustments, recoveries of prior biennium expenditures, miscellaneous treasurer transfers, as well as revenue from the ORV & Non-highway Vehicle and Natural Resources Conservation Areas Stewardship accounts.

## 2 | EXPENDITURE CATEGORIES

Administration includes Executive Management & Operations, Internal Audit, Communications & Outreach, Policy & Governmental Operations, Budget & Economics, Legal Compliance and Environmental Review.

Interagency payments are payments made to other state agencies (the Attorney General, State Auditor, Financial Management, Enterprise Services, Secretary of State, etc.) and various telecommunication vendors for services they provide to the department.

Agency support includes the following programs: Human Resources (personnel, safety and training), Financial Management (accounting, payroll, risk management and purchasing), Information Management (IT), Geographic Information Systems, Facilities, Region Administration and Environmental Analysis.

**Miscellaneous** capital projects for Fiscal Year 2019 include the Firewise Grants and Fire Communications Base Stations and Mountain Top Repeaters, and the Public School Seismic Safety Assessment.

**Total Expenditures** of \$364,079,606 for Fiscal Year 2019 excludes the interfund transfer from General Fund to the Agricultural College Trust Management Account in the amount of \$1,352,000 (see footnote #5).

## 3 | LAND TRANSFERS

**Real Property Replacement:** During Fiscal Year 2019 a total of \$449,800, an amount equivalent to the property value, was received from (1) transfers to other government entities, (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This money is used to acquire replacement trust lands.

**Encumbered State Forest Land:** During Fiscal Year 2019, the Encumbered State Forest Land, a program enabled by Second Substitute House Bill 1484 (2009 session), resulted in distributions from timber value in the amount of \$1,049,550 to the Forest Development Account and \$3,148,650 to Skamania County.

## 4 | LAND BANK

DNR uses the Land Bank program (RCW 79.19) to reposition trust land assets for better future income production. Through the Land Bank, state trust lands are auctioned to private buyers. Land bank transactions are accounted for by trust within each of DNR's management funds.

Revenue from Fiscal Year 2019 sales, existing contracts and interest was \$245,842 to the RMCA. A total of \$6,213,183 in the RMCA's fund balance is reserved to acquire property to replace trust property previously sold through the Land Bank program.

The beginning balances for Granted Trusts and Land Bank in the RMCA Upland table were corrected for Fiscal Year 2019. Upon review and reconciliation of the Land Bank balance, the following are the corrected numbers for the prior fiscal years. **See Figure 7.**

## 5 | AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT

Per RCW 79.64.090 the revenue on Agricultural College trust lands is distributed 100 percent to the agricultural college permanent fund or WSU bond retirement account. The management of the agricultural college trust lands is funded from the Agricultural College Trust Management Account. This account is dependent on legislative appropriation for funding. Currently, the legislature appropriates the money for this purpose from General Fund under a proviso. For Fiscal Year 2019 the total interfund transfer from General Fund was \$1,352,000.

## 6 | ORV & NONHIGHWAY VEHICLE ACCOUNT

This account provides for acquisition, planning, development, maintenance, and management of ORV recreation facilities, non-highway roads and non-highway road recreation facilities; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trailheads.

DNR, the Department of Fish and Wildlife and the Parks and Recreation Commission spend from the account in support of these functions. The Department of Licensing collects revenue for the account from taxes, licenses, permits and fees. DNR administers the account according to Legislative appropriations.

See **Figure 1** for the account's total fiscal activity for Fiscal Year 2019.

## 7 | AQUATIC LANDS ENHANCEMENT ACCOUNT

This account provides for the purchase, improvement and protection of aquatic lands for public purposes. DNR, the Department of Fish and Wildlife, the Department of Agriculture, the Parks and Recreation Commission, the Recreation and Conservation Funding Board, the Department of Health and the Puget Sound Partnership spend from the account for these purposes. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 2** for the account's total fiscal activity for Fiscal Year 2019.

Figure 1

ORV & Nonhighway Vehicle Account		
<b>Beginning Balance</b>		<b>\$1,439,198</b>
<b>Revenue</b>		
Licensing	4,324,421	
Fish and Wildlife	0	
Parks and Recreation	0	
Natural Resources	0	4,324,421
<b>Expenditures</b>		
Natural Resources	(3,378,251)	
Fish and Wildlife	(411,456)	
Parks and Recreation	(215,957)	(4,005,664)
<b>Net Fiscal Activity</b>		318,757
<b>Ending Balance</b>		<b>\$1,757,954</b>

Figure 2

Aquatic Lands Enhancement Account		
<b>Beginning Balance</b>		<b>\$13,168,118</b>
<b>Revenue</b>		
Natural Resources*	20,952,686	
Treasurer's Deposit Income	22,483	
Agriculture	0	
Parks and Recreation	0	
Fish and Wildlife	0	
Distribution to Fourth-Class Towns	(57,179)	
Treasurer's Transfer*	(820,000)	20,097,990
<b>Expenditures</b>		
Natural Resources	(10,932,667)	
Fish and Wildlife	(5,937,712)	
Agriculture	(1,424,647)	
Recreation & Cons. Funding Board	(1,318,340)	
University of Washington	(1,006,641)	
Puget Sound Partnership	(931,607)	
Health	(399,622)	
Parks and Recreation	(201,913)	(22,153,150)
<b>Net Fiscal Activity</b>		(2,055,159)
<b>Ending Balance</b>		<b>\$11,112,958</b>

\*Includes operating transfers. Treasurer's transfers include \$620,000 loan repayment to the Clean-Up Settlement account (15H) and \$200,000 for the Geoduck Aquaculture Research

Figure 3

Derelict Vessel Removal Account		
<b>Beginning Balance</b>		<b>\$1,275,469</b>
<b>Revenue</b>		
Licensing	733,046	
Dept of Revenue	145,064	
Natural Resources	67,807	
Treasurer's Deposit Income	43	945,960
<b>Expenditures</b>		
Natural Resources	(1,082,426)	
Licensing	(13,096)	(1,095,522)
<b>Net Fiscal Activity</b>		(149,562)
<b>Ending Balance</b>		<b>\$1,125,907</b>

Figure 4

Forest and Fish Support Account		
<b>Beginning Balance</b>		<b>\$5,671,439</b>
<b>Revenue</b>		
Dept of Revenue	3,903,971	
Natural Resources	59,079	3,963,050
<b>Expenditures</b>		
Natural Resources	(5,824,560)	(5,824,560)
<b>Net Fiscal Activity</b>		(1,861,511)
<b>Ending Balance</b>		<b>\$3,809,929</b>

Figure 5

Park Land Trust Revolving Account		
<b>Beginning Balance</b>		<b>\$2,662,146</b>
<b>Revenue</b>		
Parks and Recreation* (Discover Pass)	2,059,681	
Natural Resources	267,429	
Treasurer's Deposit Income	37,061	2,364,170
<b>Expenditures</b>		
Natural Resources	(2,365,673)	(2,365,673)
<b>Net Fiscal Activity</b>		(1,503)
<b>Ending Balance</b>		<b>\$2,660,643</b>

\*Includes operating transfer.

Figure 6

FDA/RMCA Loan Repayment		
	<b>FY 2019</b>	<b>Total-To-Date</b>
Common School Construction Account	\$295,255	\$27,137,524
Capitol Building Construction Account	112,551	10,344,826
Normal School Permanent Account	360,287	33,214,741
State University Permanent Account	142,468	16,355,771
<b>Total Trust Funds</b>	<b>\$910,561</b>	<b>\$87,052,863</b>
Resource Management Cost Account		
Common School Trust	\$98,521	\$9,045,097
Capitol Building Trust	37,585	3,451,132
Normal School Trust	119,925	11,009,946
University School Trust	47,490	5,451,925
<b>Total RMCA</b>	<b>\$303,521</b>	<b>\$28,958,100</b>

Figure 7

RMCA Upland/Land Bank Ending Balances				
		<b>Granted Land Trusts</b>	<b>Land Bank</b>	<b>Total Uplands</b>
*Corrected 12/13/19				
<b>FY17*</b>	Beginning Balance	\$14,322,051	\$2,090,465	\$16,412,516
	Revenue (incl. interests)	33,913,172	7,792,290	41,705,462
	Expenditures	(38,959,308)	(2,572,316)	(41,531,624)
	<b>Ending Balance</b>	<b>9,275,915</b>	<b>7,310,439</b>	<b>16,586,354</b>
<b>FY18*</b>				
	Beginning Balance	9,275,915	7,310,439	16,586,354
	Revenue (incl. interests)	41,916,010	1,593,903	43,509,913
	Expenditures	(38,653,237)	(991,000)	(39,644,237)
	<b>Ending Balance</b>	<b>\$12,538,690</b>	<b>\$7,913,342</b>	<b>\$20,452,032</b>

## 8 | DERELICT VESSEL REMOVAL ACCOUNT

This account provides for costs and reimbursements to authorized public entities for the removal of derelict and abandoned vessels. DNR spends from the account for these purposes and the Department of Licensing spends from the account for the purpose of administering the collection of revenue for the fund. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 3** for the account's total fiscal activity for Fiscal Year 2019.

## 9 | FOREST AND FISH SUPPORT ACCOUNT

This account was created in 2007 to provide for activities pursuant to the state's implementation of the forests and fish report as defined in chapter 76.09 RCW and related activities, including, but not limited to, adaptive management, monitoring, and participation grants to tribes, state and local agencies, and not-for-profit public interest organizations. DNR spends from the account for these purposes and the Department of Revenue spends from the account for the purpose of administering the collection of revenue for the fund. Sources of revenue for this account include surcharges on timber and wood product manufacturers, extractors and wholesalers per RCW 82.04.260 (12).

DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 4** for the account's total fiscal activity for Fiscal Year 2019.

## 10 | PARK LAND TRUST REVOLVING ACCOUNT

This account is used for acquiring real property as a replacement for the property transferred to the State Parks and Recreation Commission in order to maintain the land base of the affected trusts, and to receive voluntary contributions for the purpose of operating and maintaining public use and recreation facilities. This account may also be used to hold funding for future acquisition of lands for the community forest trust program, or

to purchase replacement forest land. In May 2011, the Governor signed the Discover Pass into law (see also RCW Title 79A) intended to provide revenue to maintain recreation access to state lands and meet the increasing demand for outdoor recreation. Effective July 1, 2011 the Discover Pass was required for vehicle access to recreation lands which include state parks, boat launches, campgrounds, heritage sites, wildlife and natural areas, trails and trailheads. DNR's portion (8%) of this revenue is transferred to this account by the State Parks and Recreation Commission. DNR's recreation program spends from this portion of the account. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 5** for the account's total fiscal activity for Fiscal Year 2019.

## 11 | FDA/RMCA LOAN REPAYMENT

The Board of Natural Resources resolution #635 in 1990 and #756 in 1992 authorized settlement of the FDA debt to the RMCA by transferring timber-cutting rights on State Forest Purchase lands to the Common School, Capitol Building, Normal School and University granted trusts. A one-third interest in assets (timber cutting rights) of the FDA on 35,625 acres was transferred to these trusts. The value of these transfers eliminated the debt between FDA and RMCA.

A total of \$1,214,082 was distributed to the trusts from timber harvested during Fiscal Year 2019. The RMCA received \$303,521 from this activity. Since this is repayment of a loan, the transactions are recorded as an operating transfer rather than current period revenue.

The values from the harvest activity by fund as well as RMCA trust for Fiscal Year 2019 and in total since the adoption of resolution 635 in 1990 are in **Figure 6**.

## 12 | OPERATING TRANSFERS

According to the Office of Financial Management's interpretation of generally accepted accounting principles, debt service funds (funds used to pay off debts), such as the UW or WSU Bond Retirement accounts, cannot receive revenue directly. Instead, revenue to

these two funds are recorded to the respective permanent funds, and then an operating transfer is made to the appropriate debt service fund.

## 13 | TRUST FUNDS—CURRENT AND PERMANENT

Trust Current Funds are funds that individual trust beneficiaries can draw from. Trust Permanent Funds are endowments, which generate interest that can be transferred to the Current Funds.

## 14 | FISCAL ACTIVITY FOR OTHER TYPE FUND(S) ADMINISTERED BY DNR

**Natural Resources Equipment Account (411):** Total other fiscal activity does not include funds classified as internal service funds. The Natural Resources Equipment Account is DNR's only internal service fund. This fund is used to maintain, replace and provide equipment to the Department's programs on a rental basis. In Fiscal Year 2019 this fund had revenue of \$24,783,645 and expenses of \$20,885,259.

**Miscellaneous Program Account (759):** Total other fiscal activity does not include program account 759. This account is used to record the activity and balances of local accounts used by property management companies responsible for managing commercial real estate properties managed in trust by the department. In Fiscal Year 2019 this fund had revenue of \$399,127 and expenses of \$571,603.

## 15 | RMCA PORTION OF TRUST LAND REVENUE

The Resource Management Cost Account received 31 percent on most transactions and the trusts received 69 percent of revenue from trust lands during Fiscal Year 2019.

Also, some revenue transactions are subject to different distribution ratios. These transactions include aquatic resources, miscellaneous non-trust revenue, interest earnings, land sales transactions and interfund loan repayment, the last of which affects the Common School, University, Capitol Building and Normal School trusts.

**Figure 8 (a,b,c)** reflects trust activity with Forest Board Repayment activity. Refer to footnote #19 for trust activity related to University Trust.

## 16 | NON-TRUST REVENUE AND OTHER MISCELLANEOUS

Non-trust revenue cannot be attributed to a specific trust. Activities include forest road assessments, miscellaneous services, manuals and publications, prior period recoveries and adjustments, application fees and interest income.

Fiscal Year 2019 Forest Board Transfer (fund 999) under Clark County is understated by \$560,091.59 due to a prior period county recovery correction. This offsets the overstated figure reported for Fiscal Year 2018.

## 17 | NEGATIVE REVENUE

Any negative revenue reflects accounting adjustments (such as bad-debt write-offs, credit memos) from a prior fiscal year.

Fiscal Year 2019 negative revenue in Cleanup Settlement account reflects accounting of loan repayment from the Aquatic Lands Enhancement and State Toxics Control accounts, and negative revenue in the Real Property Replacement account includes a reversal of \$1.7 million transaction from prior year that was not finalized.

## 18 | TREASURER'S REVENUE

Due to the schedule for distributing revenue, revenue from State Forest Lands may earn interest before it is distributed to the appropriate county. Interest earnings cannot be attributed specifically to Transfer Lands or Purchase Lands. This revenue is accounted for as treasurer's revenue and is distributed to the appropriate county.

## 19 | UNIVERSITY TRUST – ORIGINAL, TRANSFERRED, REPAYMENT

The accounting for the University Trust combines activity from original University trust lands, lands which have been transferred to the trust, and the University trust's share of interfund loan repayment as described in footnote #11.

See **Figure 9** for the breakdown of the different elements contributing to the information for University Grants for Fiscal Year 2019.

Figure 8a

Common School / Escheat Trust				
Trust Activity	Total Revenue	Com. School Construction	Com. School Permanent	RMCA
Timber Sales	\$56,043,071	\$38,669,719	\$0	\$17,373,352
Timber Sales-Related	54,370	37,263	(0)	17,107
Leases	36,822,198	25,166,112	224,651	11,431,435
Misc Interest Income	88,609	60,899	151	27,559
Fees / Service Charges	109,662	0	0	109,662
Operating Transfer-In	393,776	295,255	0	98,521
<b>Subtotal</b>	<b>93,511,686</b>	<b>64,229,248</b>	<b>224,802</b>	<b>29,057,636</b>
Forest Board Repayment				
Sales	443,731	0	0	443,731
Operating Transfer-Out	(393,776)	0	0	(393,776)
<b>Subtotal</b>	<b>49,955</b>	<b>0</b>	<b>0</b>	<b>49,955</b>
<b>Total Trust Activity</b>	<b>93,561,641</b>	<b>64,229,248</b>	<b>224,802</b>	<b>29,107,591</b>
Non-Trust Activity				
STO Interest	190,892	70,439	0	120,453
Land Sales / Trust Land Transfer	125,000	0	0	125,000
Other Revenue	671,750	0	478,296	193,454
<b>Total Non-Trust Activity</b>	<b>987,642</b>	<b>70,439</b>	<b>478,296</b>	<b>438,907</b>
<b>GRAND TOTAL</b>	<b>\$94,549,283</b>	<b>\$64,299,687</b>	<b>\$703,098</b>	<b>\$29,546,498</b>

Figure 8b

Capitol Building			
Trust Activity	Total Revenue	Cap. Bldg. Construction	RMCA
Timber Sales	\$13,793,742	\$9,517,682	\$4,276,060
Timber Sales-Related	12,895	9,059	3,836
Leases	265,697	183,331	82,366
Late Interest	12,940	8,929	4,011
Fees/Service Charges	834	0	834
Operating Transfer-In	150,136	112,551	37,585
<b>Subtotal</b>	<b>14,236,244</b>	<b>9,831,552</b>	<b>4,404,692</b>
Forest Board Repayment			
Sales	169,183	0	169,183
Operating Transfer-Out	(150,137)	0	(150,137)
<b>Subtotal</b>	<b>19,046</b>	<b>0</b>	<b>19,046</b>
<b>Total Trust Activity</b>	<b>14,255,290</b>	<b>9,831,552</b>	<b>4,423,738</b>
Non-Trust Activity			
STO Interest	123,779	10,796	112,983
Other Revenue	29,275	0	29,275
<b>Total Non-Trust Activity</b>	<b>153,054</b>	<b>10,796</b>	<b>142,258</b>
<b>GRAND TOTAL</b>	<b>\$14,408,344</b>	<b>\$9,842,348</b>	<b>\$4,565,996</b>

Figure 8c

Normal School				
Trust Activity	Total Revenue	Capital Projects	Normal Sch. Permanent	RMCA
Timber Sales	\$3,755,748	\$0	2,591,466	\$1,164,282
Timber Sales-Related	21	0	42	(21)
Leases	142,969	103,921	(5,272)	44,320
Late Interest	523	355	0	168
Fees/Service Charges	1,660	0	0	1,660
Operating Transfer-In	480,212	0	360,287	119,925
<b>Subtotal</b>	<b>4,381,133</b>	<b>104,276</b>	<b>2,946,523</b>	<b>1,330,334</b>
Forest Board Repayment				
Sales	541,132	0	0	541,132
Operating Transfer-Out	(480,212)	0	0	(480,212)
<b>Subtotal</b>	<b>60,920</b>	<b>0</b>	<b>0</b>	<b>60,920</b>
<b>Total Trust Activity</b>	<b>4,442,053</b>	<b>104,276</b>	<b>2,946,523</b>	<b>1,391,254</b>
Non-Trust Activity				
STO Interest	39,729	4,188	0	35,541
Land Sales / Trust Land Transfer	0	0	0	0
Other Revenue	9,207	0	0	9,207
<b>Total Non-Trust Activity</b>	<b>48,936</b>	<b>4,188</b>	<b>0</b>	<b>44,748</b>
<b>GRAND TOTAL</b>	<b>\$4,490,989</b>	<b>\$108,464</b>	<b>\$2,946,523</b>	<b>\$1,436,002</b>

Figure 9

University Trust				
Trust Source/Activity	Total Revenue	Bond Retirement	University Permanent	RMCA
<b>University-Transferred</b>				
Timber Sales	\$1,276,620	\$0	\$880,868	\$395,752
Timber Sales-Related	0	0	0	0
Leases	237,785	0	163,335	74,450
Misc-Trespass	0	0	(0)	(0)
Late Interest	155	0	100	55
Sale of Property-Other	0	0	0	0
Fees/Service Charges	162	0	0	162
Operating Transfer-In	1,438,405	1,248,447	142,468	47,490
Operating Transfer-Out	(1,248,447)		(1,248,447)	0
<b>Total</b>	<b>1,704,680</b>	<b>1,248,447</b>	<b>(61,676)</b>	<b>517,909</b>
<b>University Original</b>				
Timber Sales	1,053,671	0	727,033	326,638
Leases	136,809	0	94,398	42,411
Fines & Forfeits	0	0	0	0
Late Interest	12	0	8	4
Fees/Service Charges	38	0	0	38
Operating Transfer-In	94,480	94,480	0	0
Operating Transfer-Out	(94,480)		(94,480)	0
<b>Total</b>	<b>1,190,530</b>	<b>94,480</b>	<b>726,959</b>	<b>369,091</b>
<b>University-Repayment</b>				
Timber Sales	173,626	0	0	173,626
Timber Sales Related	162	0	0	162
Late Interest	0	0	0	0
Operating Transfer-Out	(189,958)	0	0	(189,958)
<b>Total</b>	<b>(16,170)</b>	<b>0</b>	<b>0</b>	<b>(16,170)</b>
<b>Non-Trust Allocation</b>				
STO Interest	26,839	2,170	0	24,669
Non-Trust Revenue Allocation	5,763	0	0	5,763
<b>Total</b>	<b>32,602</b>	<b>2,170</b>	<b>0</b>	<b>30,432</b>
<b>GRAND TOTAL</b>	<b>\$2,911,642</b>	<b>\$1,345,097</b>	<b>\$665,283</b>	<b>\$901,262</b>

Figure 10

RMCA/FDA Debt/Loan Accounting For Fiscal Year 2019		
Beginning Balance	Grant Lands	State Forest Lands
2019 Trust Charges	\$51,201,093	\$23,452,716
RMCA Expenditures	\$51,201,093	0
FDA Expenditures	0	\$23,452,716
<b>Cumulative Debt/Loan</b>	<b>\$0</b>	<b>\$0</b>

**Fiscal Year 2019 Management Fund Debt Status**

As of June 30, 2019, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).

**20 | STATE TRUST LANDS MANAGEMENT FUND ACCOUNTING REPORT****Statutory Authority and Requirements:**

Subject to legislative appropriation, the Department of Natural Resources is authorized by RCWs 76.12.110 and 79.64.030 to use funds from the Resource Management Cost Account (RMCA) and Forest Development Account (FDA) interchangeably in the management of State Grant Lands and State Forest Lands. The law also states, however, that an annual accounting will be kept of payments made by one fund on behalf of another. For example when RMCA funds are used to pay for activities on State Forest Land, it shall be considered a debt against the FDA. RCW 79.64.030 also requires that the results of the accounting be reported to the legislature at the next regular session.

**Accounting Procedures**

Beginning with fiscal year 1996, the following Cost Allocation System accounting procedures have been used to calculate any debt or loan between the management funds:

- A.** All operating program expenditures that can be determined to benefit a particular land category are directly charged to that land category.
- B.** Expenditures for majority of the department's operating programs for which the benefiting land category cannot be determined (indirect expenditures) are allocated to land categories based on staff month percentages derived from personnel time charged directly to those land categories or by Western Washington forested acres.
- C.** Capital outlay expenditures that benefit particular land categories are determined in advance then charged by land category in the ratio set by appropriations.
- D.** Agency Administration and Support costs are allocated to land category based on agency work plans for the year as established during the budget process.
- E.** Direct charges and indirect charges are totaled by land category within the Cost Allocation System. Expenditures paid from the RMCA and FDA accounts are compared to these total charges for Grant Lands and State Forest Lands to determine how much of the charges were paid from one account on behalf of the other. If RMCA funds were used to pay State Forest charges, a debt principal is incurred in that amount. If State Forest funds were used to pay RMCA charges, the debt principal is reduced by that amount. Funding adjustments may be made periodically during the fiscal year to align expenditures by fund with total charges for Grant Lands and State Forest Lands to prevent the accumulation of any new debt in the year.

**F.** As required by law, interest is charged on the debt incurred. A full year's interest is charged on cumulative debt carried from the previous year. One half year's interest is calculated on the change in the debt principal occurring during the current year.

**G.** Cumulative debt from the preceding year, plus new principal and interest charges are totaled to determine the new cumulative debt. **See Figure 10.**



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FISCAL  
DATA

TIMBER  
DATA

Management

# Timber Data

# Timber Volume | Sold and Harvested | FY 2019

Trust / Beneficiaries	Acres Sold	Timber Volume Sold (mbf) <sup>b</sup>	Timber Vol. Harvested <sup>c</sup> (mbf) <sup>b</sup>
<b>STATE FOREST TRANSFER</b> (FORMERLY KNOWN AS FOREST BOARD TRANSFER LANDS)			
Clallam	490	19,246	28,381
Clark	556	14,005	5,218
Cowlitz	24	577	96
Grays Harbor	0	0	1,924
Jefferson	0	9,072	9,459
King	219	11,009	4,750
Kitsap	0	0	1,426
Lewis	696	29,941	27,902
Mason	493	12,399	9,893
Pacific	325	8,811	9,367
Pierce	0	0	2,946
Skagit	1,034	30,185	39,455
Skamania	54	1,252	15,469
Snohomish	1,036	34,159	23,646
Thurston	358	16,040	8,757
Wahkiakum	125	5,579	5,393
Whatcom	312	7,298	5,844
<b>Subtotal Transfer</b>	<b>5,722</b>	<b>199,573</b>	<b>199,926</b>

Trust / Beneficiaries	Acres Sold	Timber Volume Sold (mbf) <sup>b</sup>	Timber Vol. Harvested <sup>c</sup> (mbf) <sup>b</sup>
<b>STATE FOREST PURCHASE</b> (FORMERLY KNOWN AS FOREST BOARD PURCHASE LANDS)			
Clark	25	578	54
Cowlitz	8	299	0
Grays Harbor	123	4,935	2,786
Jefferson	0	453	0
Lewis	85	2,658	813
Pacific	0	0	10
Pierce	0	0	2,900
Skamania	0	0	861
Thurston	73	2,564	629
<b>Subtotal Purchase</b>	<b>314</b>	<b>11,487</b>	<b>8,053</b>

Trust / Beneficiaries	Acres Sold	Timber Volume <sup>a</sup> Sold (mbf) <sup>b</sup>	Timber Vol. Harvested <sup>c</sup> (mbf) <sup>b</sup>
<b>Common School, Indem. &amp; Esch.</b>	5,360	133,581	146,370
<b>Agricultural School</b>	570	14,243	15,703
<b>University Transfer</b>	23	558	4,570
<b>CEP and RI</b>	231	7,541	3,853
<b>Capitol Building</b>	780	25,070	37,710
<b>Normal School</b>	812	8,078	8,910
<b>Escheat</b>	0	0	45
<b>Scientific School</b>	723	17,669	18,538
<b>University Original</b>	0	0	2,500
<b>Comm. Coll. For. Res.</b>	40	833	3,191
<b>Administrative Sites</b>	0	1	21
<b>University Repayment</b>	0	0	1,441
<b>Forest Board Repayment</b>	430	20,212	9,475
<b>King County Water Pollution</b>	0	0	2,010
<b>Forest Health Treatments (multiple trusts)<sup>f</sup></b>	6,211	57,380	42,719
<b>Subtotal</b>	<b>15,180</b>	<b>285,166</b>	<b>297,056</b>
<b>Subtotal Transfer</b>	<b>5,722</b>	<b>199,573</b>	<b>199,926</b>
<b>Subtotal Purchase</b>	<b>314</b>	<b>11,487</b>	<b>8,053</b>
<b>Statewide Total<sup>f</sup></b>	<b>21,216</b>	<b>496,226</b>	<b>505,035</b>

**About This Page**

<sup>a</sup> Timber volume sold per acre depends on site-specific conditions and harvest method.

<sup>b</sup> mbf: thousand board feet

<sup>c</sup> Volume harvested is estimated for sales partially harvested.

<sup>e</sup> Includes University Repayment data.

<sup>f</sup> Forest health commercial treatments are conducted on multiple federal trusts in Eastern Washington and those volumes and acres are combined.

**Notes**

Timber is sold before it is harvested. Timber sale contracts are typically two or more years in length, with most timber harvest schedules determined by individual purchasers. Sale and harvest of timber may or may

not occur in the same fiscal year. Revenues are generated when timber is harvested.

Market conditions can influence number of sales and volume sold.

Sales which contain more than one trust and/or beneficiary, report estimated acres and volumes for each specific trust. Sales which benefit more than one trust, distribute revenues proportionally by value based on percentage of area.

Numbers may not add due to rounding.

**Source**

FY19 NaturE report TSC 311 run on 2/26/2020.



# Timber Acres Harvested<sup>a</sup> | FY 2019

Trust / Beneficiaries	Acres Commer. Thinned Small Wood <sup>b</sup>	Acres Partially Cut/Older Stand Thinning <sup>c</sup>	Acres Regeneration Harvest <sup>d</sup>	Total Acres	Aver. Year of Regen. Cut Stand
<b>STATE FOREST TRANSFER</b>					
Clallam	856	0	856	1,712	1961
Clark	16	0	231	247	1941
Cowlitz	2	0	2	4	1935
Greys Harbor	0	0	45	45	1939
Jefferson	182	0	194	376	1926
King	8	0	113	121	1949
Kitsap	0	0	38	38	1957
Lewis	1	4	625	630	1938
Mason	1	0	362	363	1945
Pacific	0	0	378	378	1932
Pierce	260	0	31	291	1941
Skagit	547	0	927	1,474	1946
Skamania	181	0	517	698	1949
Snohomish	193	0	663	856	1948
Thurston	0	0	242	242	1956
Wahkiakum	0	0	100	100	1930
Whatcom	13	0	179	192	1966
<b>Subtotal Transfer</b>	<b>2,260</b>	<b>4</b>	<b>5,503</b>	<b>7,767</b>	<b>1944</b>
<b>STATE FOREST PURCHASE</b>					
Clark	1	0	2	3	1955
Grays Harbor	4	0	71	75	1942
Lewis	40	1	22	63	1966
Pierce	0	0	95	95	1947
Skamania	12	0	24	36	1950
Thurston	1	0	17	18	1966
<b>Subtotal Purchase</b>	<b>58</b>	<b>1</b>	<b>231</b>	<b>290</b>	<b>1954</b>
<b>Comm. School, Indemn. Total</b>	2092	34	4,337	6,463	1952
<b>Agricultural School Total</b>	310	0	561	871	1941
<b>University Transfer Total</b>	154	0	71	225	1947
<b>CEP &amp; RI Total</b>	5	0	140	145	1960
<b>Capitol Building Total</b>	522	2	1,023	1,547	1948
<b>Normal School Total</b>	134	1	262	397	1959
<b>Escheat Total</b>	0	0	2	2	1974
<b>Scientific School Total</b>	100	472	476	1,127	1959
<b>University Original Total</b>	0	0	62	62	1947
<b>Comm. Coll. Forest Res. Total</b>	39	0	109	148	1972
<b>University Repayment Total</b>	2	0	45	47	1946
<b>Forest Board Repayment Total</b>	1	0	239	240	1948
<b>King Co. Water Poll. Ctrl Dist T</b>	0	0	142	142	
<b>Subtotal</b>	<b>3359</b>	<b>509</b>	<b>7,469</b>	<b>11,416</b>	
<b>Statewide Total</b>	<b>5,756</b>	<b>514</b>	<b>13,203</b>	<b>19,473</b>	

**About This Page**

<sup>a</sup> The Department tracks harvest method information in ten categories; for purposes of this report, per RCW 79.10.010, the data are aggregated into three harvest methods.

<sup>b</sup> Commercial thinning/small wood generates revenue, promotes growth of the remaining trees, and creates desired future forest conditions.

<sup>c</sup> Partial cuts/older stand thinnings generate revenue and help achieve desired future forest conditions.

<sup>d</sup> Regeneration harvests refer to any removal of trees intended to assist natural tree regeneration or create space for replanting.

**Notes**

Harvested acres shown are Fiscal Year 2019 activities only; acres are reported again in the future if additional harvest activities occur. Acres harvested are estimated for sales partially harvested. Timber volume harvested per acre depends on site-specific conditions and harvest method.

Sales which contain more than one trust beneficiary report estimated acres harvested for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by value based on percentage of area.

Acres do not include forest improvement treatment (FIT) and Forest Health (FH) sales.

Numbers may not add due to rounding.

**Source**

TSC 348 FY19 NaturE report run on 2/26/2020.

# Silviculture<sup>a</sup> | FY 2019

Trust / Beneficiaries	Acres Planted <sup>b</sup>	Stems per Acre <sup>c</sup>	Pre-commercially Thinned Acres <sup>d</sup>
<b>STATE FOREST TRANSFER</b> (FORMERLY KNOWN AS FOREST BOARD TRANSFER LANDS)			
Clallam	554	329	403
Clark	187	388	181
Cowlitz	200	385	101
Grays Harbor	39	342	0
Jefferson	274	353	50
King	72	362	0
Klickitat	0	0	4
Lewis	386	347	0
Mason	421	313	0
Pacific	144	336	3
Pierce	21	400	0
Skagit	1,054	323	232
Skamania	265	373	0
Snohomish	451	271	24
Thurston	418	332	156
Wahkiakum	175	372	4
Whatcom	200	322	80
<b>Subtotal Transfer</b>	<b>4,861</b>	<b>335</b>	<b>1,238</b>
<b>STATE FOREST PURCHASE</b> (FORMERLY KNOWN AS FOREST BOARD PURCHASE LANDS)			
Cowlitz	5	242	0
Grays Harbor	556	341	206
Lewis	95	317	0
Pacific	89	320	18
Pierce	0.1	400	0
Thurston	266	345	170
<b>Subtotal Purchase</b>	<b>1,011</b>	<b>340</b>	<b>394</b>

Other Trusts / Beneficiaries	Acres Planted <sup>b</sup>	Stems per Acre <sup>c</sup>	Pre-commercially Thinned Acres <sup>d</sup>
Agricultural School	0	0	0
Capitol Grant	919	337	567
Charitable/Educational/ Penal & Reformatory Instit.	482	348	123
Common School and Indemnity	3,997	332	5,379
Community Forest Trust	116	245	612
Escheat	0	0	4
Normal School	67	374	778
Scientific School	612	325	1,049
University - Transferred	449	266	331
<b>Other Trust Total</b>	<b>6,982</b>	<b>330</b>	<b>8,960</b>
<b>Total - All Trusts</b>	<b>12,855</b>	<b>333</b>	<b>10,592</b>

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These data are included in the 2019 Annual Report to Trust Beneficiaries per RCW 79.10.010

<sup>a</sup> Silvicultural activities are forest management practices. Implementation of silvicultural practices varies according to site-specific conditions and availability of management funding.

<sup>b</sup> Acres planted include all planting processes and all tree species.

<sup>c</sup> Average per acre. (Stems per acre planted depend on site-specific conditions and anticipated survival rates).

<sup>d</sup> Pre-commercially thinned acres increase yield rate per acre by selectively decreasing overcrowding of saplings.

Numbers may not add due to rounding.

**Source**

\*Data from LRM on 10-20-2020.

# Deferrals | FY 2019

FORMERLY KNOWN AS ACRES OFF-BASE FOR HARVEST

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
<b>STATE FOREST TRANSFER</b>			
Clallam	64,452	242	24,160
Clark	21,360	2,040	1,776
Cowlitz	8,625	1,554	249
Grays Harbor	1,805	24	389
Jefferson	11,696	9	2,229
King	17,303	716	3,420
Kitsap	6,642	0	528
Klickitat	18,834	0	213
Lewis	33,228	550	4,539
Mason	24,500	48	2,133
Okanogan	10	0	0
Pacific	10,114	342	3,903
Pierce	6,796		1,696
Skagit	60,327	1,003	19,669
Skamania	27,443	844	8,104
Snohomish	49,318	214	10,321
Stevens	127	0	7
Thurston	15,915	264	2,635
Wahkiakum	8,450	910	2,781
Whatcom	20,988	64	7,125
<b>Subtotal Transfer</b>	<b>407,932</b>	<b>8,824</b>	<b>95,876</b>

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
<b>STATE FOREST PURCHASE</b>			
Clallam	135	0	96
Clark	2,326	153	1,209
Cowlitz	189	51	23
Grays Harbor	22,586	9	5,115
Jefferson	10	0	6
Kitsap	76	0	0
Klickitat	40	0	0
Lewis	2,708	140	97
Mason	503		6
Pacific	5,372	502	1,915
Pierce	3,100	0	133
Skamania	3,038	72	1,379
Snohomish	1,630	0	15
Stevens	36	0	5
Thurston	18,055	61	4,359
Whatcom	658	0	291
<b>Subtotal Purchase</b>	<b>60,460</b>	<b>989</b>	<b>14,647</b>

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
Agricultural School	43,166	2,421	8,229
Capitol Grant	74,782	2,732	21,750
CEP&RI	0	0	10
Comm. School, Indemnity & Esch.	882,142	37,387	165,564
Community College Forest Reserve	1,132	0	5
Community Forest Trust	0	0	47,890
Escheat	4,669	197	663
Normal School	44,942	1,085	9,578
Scientific School	53,885	2,283	10,003
University Original	3,732	187	553
University Transferred	40,769	363	12,033
Water Pollution Control Division Trust Land	5,101	64	357
Other Lands*	993	0	126,909
<b>Subtotal</b>	<b>1,155,313</b>	<b>46,718</b>	<b>403,545</b>
<b>Total – All TRUSTS</b>	<b>1,661,119</b>	<b>57,422</b>	<b>517,824</b>

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These data are in the 2016 Annual Report to Trust Beneficiaries, per RCW 79.10.010.

With the adoption of the 2004 Sustainable Harvest Level, DNR no longer classifies lands as “off-base” or “on-base,” but instead designates deferral status.

Long-term deferral approximates “off-base.”

Deferral status is determined by whether the silviculture and land management activities, including harvest, are permitted or deferred for a period of time. Short-term deferrals represent forestlands anticipated to be deferred from harvest in the next 10 years. Long-term deferrals represent forestlands anticipated to be deferred from harvest beyond 10 years and forestlands managed for non-timber harvest revenue objectives.

Acres are designated as deferrals because they are inoperable, are low site, contain permanent research plots, are upland wildlife management areas, are timber gene pool reserves, are on unstable slopes in riparian buffers, are located in a northern spotted owl nest patch, contain a northern spotted owl site center, are identified as marbled

murrelet habitat, are included in the Olympic Experimental State Forest deferral areas, or are the result of the Settlement Agreement reached in 2006, or the 2006 Policy for Sustainable Forests Old-Growth Policy (all of these decisions were included in the 2007 sustainable harvest adjustment for Western Washington State Trust forestlands). A site can be deferred due to one or more factors.

Deferral classifications are not permanent designations. DNR may change the classification as specific forest stands or sites are re-evaluated. Acreage updates and changes can occur over time due to technological refinements in data gathering and analysis.

Numbers may not add due to rounding or potential double counting.

\* Other lands include: Administrative Site, Land Bank, Milwaukee Road Corridor, Natural Area Preserve, Natural Resources Conservation Area, Tidelands—2nd-Class, Trust Status Not Applicable or Unknown.

**Source:** Deferral Status of State Forestlands DNR Forest Resources Division, LDO v20190717, 2019.



WASHINGTON STATE DEPARTMENT OF  
**NATURAL RESOURCES**  
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS

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