



Department of Fish and Wildlife
 2023-25 First Supplemental Budget Session
 Policy Level - FH - Forest Health and Fuel Reduction

Agency Recommendation Summary

The enacted 2023-25 budget reduced forest health and fuel reduction funding from \$6 million to \$4 million and moved the funding from the capital budget to the Forest Resiliency Account. This reduction presents a threat to the sustainability and momentum of the Department’s forest health program. Restoring adequate funding is critical to WDFW’s implementation of forest health and resilience, as outlined in the “All Hands, All Lands” strategy. Funding reductions jeopardize the 20-year treatment goals that keep communities safe, enhance biodiversity, maintain public working lands’ contributions to local economies, and improve public lands’ resilience to climate change. This \$2 million request will help implement forest health treatments on more acres, cover increased fuel and infrastructure costs, cover the costs of more complex projects, and help ensure equipment safety.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenditures						
Fund 25F - 1	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000
Total Expenditures	\$1,000	\$1,000	\$2,000	\$1,000	\$1,000	\$2,000

Decision Package Description

In the 2023-25 enacted budget (ESSB 5187.PL, Section 308, Sub-section 31) for the Washington Department of Fish and Wildlife, the Legislature identified:

“\$4,000,000 of the forest resiliency account – state appropriation is provided solely to reduce wildfire risk and increase forest resiliency through fuels reduction, thinning, fuel break creation, and prescribed burning on agency lands.” The Washington Department of Fish and Wildlife is proposing to restore the previous funding level of \$6 million for Forest Health and Fuel Reduction activities through this supplemental request of \$2 million. This funding is critical to maintain the required pace to meet the target for treating 100,000 acres as outlined in both the 2014 Management Strategy for WDFW’s Forests, and 2020 Forest Health Strategic Plan – Eastern Washington. The current 33% funding reduction from the previous biennial budget will create outsized negative impacts on the sustainability of our forest health program due to losses in economies of scale and economic inflation.

Forest Health and Fuel Reduction funding supports forest health activities in the Washington Department of Fish and Wildlife. In previous budget cycles, this funding was enacted under the Capital Budget. Although capital dollars are typically provided on a one-time basis, the intent was to provide these funds ongoing in support of implementation of the 2020 Forest Health Strategic Plan – Eastern Washington, and the 2014 Management Strategy for WDFW’s Forests. The Department has successfully invested this funding each biennium since 2017-19, resulting in more than 20,000 acres of treatments that improve forest health, restore habitat, and enhance climate resiliency.

The Washington Department of Fish and Wildlife (WDFW) serves residents and visitors by protecting, restoring, and enhancing the ecosystems that support fish and wildlife. WDFW manages about one million acres of land in wildlife areas across the state. Acquisition, operation, and stewardship of these lands includes forested and non-forested lands. WDFW manages about 200,000 acres of forested ecosystems, about 100,000 of which are feasible for forest health treatments. Due to the mid-elevation placement of these lands, they are critical in the overall landscape resilience of Washington’s forests and community safety.

Forest health has been in decline for decades, both in Washington state and the western United States. Past management practices, including active fire suppression, intensive harvest in tree plantations, insect infestations and disease have resulted in significant losses in ecosystem function, health, and resilience. While many of the lands WDFW has acquired and managed are critical ecosystems and for species of concern, they are often acquired at lower levels of ecological health and are shifting from a forest production management goal to ecosystem health goals. These forests have:

- Increased the number and severity of wildfires across the state, particularly in eastern Washington;
- Increased risk to the health and safety of communities, including life, property, and infrastructure damage or loss, and health-related effects of smoke;
- Significantly increased the risk of catastrophic fire in forest ecosystems, including species and habitats at risk of loss or extinction;

- Resulted in loss of biodiversity in forest ecosystems;
- Increased risk of water quantity and water quality impacts where areas have burned;
- Reduced resilience of forests to the impacts of climate change;
- Increased risk of forest carbon storage losses, increased greenhouse gas emissions from forest fires; and
- Increased risk to local, rural economies, which often rely on the forest and tourism sector economies for local employment and income.

With partnering federal and state agencies (including WDFW), tribes, communities, and private landowners and industry, the Washington State Department of Natural Resources (DNR) responded with the 2020 Forest Health Strategic Plan – Eastern Washington, which set an ambitious goal to conduct 1.25 million acres of scientifically-sound, landscape-scale, cross-boundary management and restoration treatments in priority watersheds to increase forest and watershed resilience by 2037. This goal set forth an “All Lands, All Hands” approach to work across government agencies, tribes, and private parties to restore the health and resilience of eastern Washington forests. This decision package focuses on continuation of this strategy and the 2014 Management Strategy for WDFW’s Forests, implementing over 100,000 acres of treatments on WDFW-managed wildlife areas in eastern Washington.

WDFW-managed lands play a unique role in these strategies for resilience. These 33 wildlife areas are often at mid-elevation areas that are located between federal (e.g., U.S. Forest Service) and other state (DNR) lands, and local communities. Wildlife areas are at the urban-forest interface, which is a crucial area to manage to reduce wildfire risk to local communities. Wildlife areas are also crucial to critical species and habitat recovery, providing baseline ecological health conditions upon which investments in biodiversity and species recovery build. Although statewide in focus, a 2019 Joint Legislative Audit and Review Committee report by outlined:

- More than 67% of wildlife area acres are ecological systems of concern;
- Almost 75% of wildlife area acres are ecological systems especially important to Species of Greatest Conservation Need;
- More than 81 non-fish Species of Greatest Conservation Need are known to occur, or have occurred on WDFW wildlife areas;
- State and federal listing status applies to 53, and 16 species, respectively;
- Federally-listed fish species have been documented on 19 wildlife areas; and
- Federal critical habitat has been designated on 20 wildlife areas.

WDFW’s forest health and fuel reduction activities support recovery of these key species and habitats, as well as reducing the risks and building resilience. Since 2014, WDFW has completed forest health activities on about 30% of those forests identified as in need of treatment, including:

- Treating 23,218 acres;
- Thinning 8.5% of WDFW-managed forests;
- Thinning and treating 2.9% of WDFW-managed forests with prescribed fire; and
- Adding 6% to WDFW’s forested lands portfolio (often heavily harvested prior to acquisition), which sometimes require treatments.

WDFW proposes restoring the \$2 million reduction in funding in the 2023-25 enacted budget to the previous biennium funding level of \$6 million, based on the following rationale:

- Maintain existing, successful momentum toward cross-agency, landscape-level goals as outlined in plans;
- Respond to the climate and biodiversity crises, which calls for increased rather than decreased activity;
- Provide a solid foundation on which investments in climate, biodiversity, and species/habitat recovery actions are based;
- Adapt to significantly increased costs for fuel, thinning contracts and a soft timber market; and
- Align with tribal interests for water quality and quantity, salmon recovery, and harvest opportunities.

Current WDFW forest health management activities reduce fuel hazards, restore forest health, and improve ecosystems degraded by prolonged fire exclusion. As shown in the attached supporting documentation, treatments have reduced fuel loading and increased vegetative diversity.

Continued increased investment will allow the Department to maintain the following actions:

- Reduce elevated risks of insect and disease problems, especially on wildlife areas within high priority watersheds identified in the DNR 20-Year Forest Health Strategic Plan where landowners are strongly encouraged to actively restore forests in association with strategic, landscape-scale restoration strategies.
- Reduce elevated risks to life and property both on wildlife areas and in nearby communities where wildfire behavior would likely be severe.
- Improve habitat quality for wildlife dependent on healthy dry forests.
- Improve watershed conditions for listed salmon habitat, such as supporting a healthier hydrologic cycle, which results in improved

instream flows, as well as provide large wood for salmon recovery projects where possible.

- Improve soil health with prescribed burning, which adds valuable nutrients.
- Enhance the health of fire-dependent plant species.
- Improve recreational opportunities by improving game habitat quality and reducing the likelihood of wildfire-related closures that restrict public access.

The Department developed and evaluated alternatives during the planning process for both the 2014 Management Strategy for WDFW's Forests, as well as the 2020 Forest Health Strategic Plan. The targets and timeline were negotiated results of those plans to achieve necessary protections for communities and forest health. Not acting will significantly increase wildfire risk, harming ecosystem functions, species, habitats, recreational opportunities, human health, community safety, tourism, and local, rural economies. Lack of reliable funding also puts the long-term viability of the forest health program within WDFW at risk. Qualified staff in this field are a limited pool and the Department must be able to offer long-term job security to maintain a viable team.

Several alternatives were considered to deal with the existing budget reduction, including: reduce the number of projects for this biennium; reduce the overall pace of the work; and identify or use other sources of funding, including those supported by the Legislature in the 2023-25 biennium. The Department did not select these alternatives for the following key reasons:

- In light of climate and species recovery needs, all indicators point to the strong need to increase the pace of actions, not maintain status quo, or slow the pace.
- This forest health work provides the foundational ecosystem health on which biodiversity and species or habitat recovery efforts build, and is therefore essential to ensuring the highest performance for those investments.
- WDFW has demonstrated a very strong track record of spending all funds allocated for this work in the previous biennium.
- As in other supplemental requests from this and other departments, costs have been increasing significantly for fuel, equipment, contracting, and other costs also utilized the complete forest health projects. Forecasted increases in costs of over 40% in addition to a reduction in funding provided will slow the pace of needed actions by more than 40%.
- The loss of momentum may result in loss of staff and associated institutional knowledge, as they seek work in other organizations where more active, on-the-ground work is happening.
- A reduction in active, on-the-ground forest health work impacts local, rural economies, which depend on natural resource jobs. With a slower forest economy overall, reduction in work on public lands exacerbates this slowdown.
- With a slowdown in the forest sector economy, restoration, such as forest health activities, provides for natural resource jobs. Reductions in funding for forest health activities removes this economy and job cushion, provided by the restoration economy.

Before pre-commercial thinning



Before pre-commercial thinning



After pre-commercial thinning



After pre-commercial thinning



Below photos are from Scatter Creek Wildlife Area prescribed burn that occurred in 2018.

Before: 2017



During 2018



6 months after 2019 (Camas-Purple Flowers regeneration is culturally important to Salish Tribes)



18 months after



Four years after



Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

N/A

Detailed Assumptions and Calculations:

Beginning in the 2021-23 biennium, WDFW received biennial appropriations of \$6 million in fund 25F Forest Resiliency Account for this work and to date the Department has spent the full appropriation. In 2023-25, funding was reduced by \$2 million, leaving a \$2 million gap.

Details	Amount
Previous funding levels	\$6 million
Reduction (in 2023-25 biennium)	-\$2 million
Sub-total (Funding in 2023-25 biennium)	\$4 million
Funding gap	\$2 million

Requested funding is for contracted forest thinning and prescribed burns in object C, Personal Services Contracts. An infrastructure support rate of 36.03% is included in object T as calculated on WDFW's federally approved indirect rate.

Workforce Assumptions:

This proposal doesn't including funding for additional staff. The Forest Health and Fuel Reduction program currently employs 23 FTEs. Most of the forest thinning uses contracts for field work, while the prescribed burning uses about two-thirds funding for crews, with about one-third going to contracts. Restoring the \$2 million in funding, as outlined in this supplemental request, will not impact the number of FTEs. The funding will be used for contracts that support on-the-ground activities that improve the health and resilience of forests on WDFW-managed lands. As mentioned, however, the lack of capacity for the contracts will challenge the Department's ability to retain quality staff and the institutional knowledge and momentum that they represent.

Strategic and Performance Outcomes

Strategic Framework:

Governor's Results Washington Goals

The Forest Health and Fuel Reduction work meets the following Governor's Results Washington Goal Areas in the following ways.

- A prosperous economy: Forest health and fuel reduction work supports living-wage jobs in rural communities, from timber jobs in thinning, mills, to tourism and recreation associated with healthier wildlife areas.
- Sustainable energy and a clean environment: Projects in the Forest Health and Fuel Reduction program steward forested areas for future generations, a heritage provided to us from previous generations and thousands of years of tribal management.
- Health and safe communities: Activities in this program reduce risk to community life, property, and public infrastructure. Reduction in catastrophic fires can improve health through reduced exposure to wildfire smoke and stresses from personal loss.
- Efficient, effective, and accountable government: The Forest Health and Fuel Reduction program has effectively stewarded the funding provided across four biennia of investment – spending all of the funds made available. Further, the program seeks to implement work across the forest landscape by working with sister agencies, private landowners, and federal and tribal lands. Further, the program seeks ongoing process improvements that reduce overall costs, such as combining Executive Order 21-02 cultural resources reviews for a variety of treatments into a single, phased request for review, saving time and further demonstrating accountability of our cumulative actions on the landscape.

WDFW Strategic Plan

WDFW's strategies outlined in the 25-year Strategic Plan are outlined below, with anecdotal information about how the Forest Health and Fuel Reduction program meets the intent of those strategies.

- Proactively address conservation challenges: activities increase resilience; improve biodiversity; and work across agency lines to proactively deal with the forest health challenges. Further, work sustains local economies, which rely on timber and tourism/recreation.
- Engage communities through recreation and stewardship: Forest health work is stewardship and seeks to maintain and improve the health of WDFW-managed forested lands for future generations. WDFW uses local contractors whenever possible, contributing to a sustainable restoration economy. Activities also provide for student internships that build skills for future management and stewardship of WDFW-managed lands.
- Deliver science that informs Washington's most pressing fish and wildlife questions: the Forest Health and Fuel Reduction program has been at the forefront of land stewardship in the state. For example, the prescribed burn team was the first of its kind in the state to use prescribed burn techniques to improve the ecological health of forests.
- Model operational and environmental excellence: the program meets diversity and inclusion goals and requirements, including mapping out alignment of forest health activities with cultural resource needs and goals, as well as demonstrates transparency in reporting activities.

Agency Activity Funding by Amount and Fund Source

- This funding request restores \$2 million to the previous biennium funding level of \$6 million in Fund 25F – Forest Resiliency Account supporting the agency activities of Acquiring and Managing Lands and Preserve and Restore Terrestrial Habitats and Species.

Performance Outcomes:

Restoring the \$2 million reduction in funding in the enacted budget to the originally proposed \$6 million for the biennium, will

- Treat over 7,000 acres of high-priority forested areas through 29 forest thinning and prescribed burn projects.
- Prevent treated acres from falling below 4,000 acres and restore full thinning and prescribed burning treatments.
- Maintain activity and staff focus on on-the-ground results toward healthier forests and resilience, rather than pulling staff off to plan for future projects.
- Procure local contracts for on-the-ground activities, supporting the local restoration economy, including minority-owned businesses.

Treated forest areas demonstrate:

- Higher habitat and wildlife diversity;
- Lower risk to ecological health, and to community life, property, and infrastructure;
- Higher resilience to the effects of climate change, including impacts of wildfires; and
- Indirectly support and maintain local, rural economies, tourism, and recreation opportunities.

Equity Impacts

Community outreach and engagement:

WDFW completes community engagement and public outreach through public engagement. The Communication and Public Engagement divisions are committed to improving and evolving community engagement with historically excluded and marginalized communities. It is important that WDFW can maintain these functions to prevent degrading services for the communities we serve. This proposal is a result of identifying non-discretionary cost increases that will have a negative impact on the business operations of WDFW and restrict mission-critical work.

Disproportional Impact Considerations:

If this request is not funded, other areas of the budget could be cut, which will cause reductions in other programs and projects currently funded. These reductions are not easily connected to specific communities. However, cutting services will hinder the ability to apply an equitable lens as WDFW will be forced to shift resources.

Target Populations or Communities:

Funding maintenance level decision packages allows WDFW to support target populations such as systemically marginalized, historically excluded, and disproportionately impacted communities. WDFW is committed to its mission to preserve, protect, and perpetuate fish, wildlife, and ecosystems so these resources are sustainable and accessible for all communities. These diverse communities, and many others, are finding that environmental justice, smart growth, and equitable development can be an effective combination for promoting a healthy and safe environment, a strong economy, and good quality of life for all residents.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

Restoration of the full \$6 million by funding this \$2 million supplemental budget request will not have any state workforce impacts. Current WDFW staffing costs for our forest health work is right-sized to the WDFW land base in terms of thinning and undersized in terms of the prescribed burning.

At present, 23 FTEs of state staff are supported by the Forest Health and Fuel Reduction funding. This one-time reduction in funding (at the enacted \$4 million) would not result in job losses but would reduce on-the-ground activities in favor of planning the next set of forest health treatments. Such a scope reduction could result in loss of staff and associated institutional knowledge and costs to rehire and train, as staff move to other jobs with more active work (rather than planning).

Intergovernmental:

This project is consistent with the integrated approach laid out in the DNR 20-year Forest Health Strategic Plan. Alternative included weighing pros and cons of prescribed burning, mechanical thinning, and general fuel load reduction strategies are identified in the DNR Strategic plan. The Department has consistently received support from tribes, conservation districts and local governments for its forest health efforts. The alternative of not acting has been deemed socially unacceptable.

Projects complete cultural resources review, prior to starting. In addition, several projects have directly benefitted tribes, such as through improving conditions for medicinal and food plants, or providing large wood for instream or beaver dam analogue projects. Overall, tribal support for projects is good, but more indirect that such as for co-management of salmon.

Projects also coordinate actions with other state agencies, where possible, taking a landscape-scale approach to the work, as outlined in the DNR 20-year Forest Health Strategic Plan. In addition, projects may share resources among agencies to achieve the best results. For example, prescribed burning may utilize a natural break on neighboring state-managed lands, which is both more effective and ecologically sensitive.

Where necessary, projects are coordinated with regional, county, or city governments, whether for permitting, awareness, or reporting. For example, we are currently participating in the Yakima Community Wildfire Protection Plan, which will coordinate activities of multiple government entities in reducing wildfire risk to the community.

Stakeholder Response:

The impacts of uncharacteristic, catastrophic wildfires that this project helps prevent accumulate to all Washingtonians. A disproportionate percentage of the impacts fall to rural communities where the fires occur and disrupt ecosystem services associated with reduced ecological function (habitat, water, air) as well as economic generation from activities such as reduced recreation and tourism. The health impacts both near and far from the wildfires themselves affect low-income, underserved populations more due to lower overall health and access to quality health care. WDFW-managed lands are positioned at mid-elevation zones, closer to communities, increasing the magnitude of the positive impacts due to the lands' spatial location. Location of these lands and the restoration activities this proposal implements result in highly effective risk reduction from catastrophic wildfires' impacts to local communities, their associated economies (e.g., tourism), and impacts to human health (e.g., smoke-related respiratory problems, or mental health due to loss of home or job).

Broadly speaking, the Forest Health and Fuel Reduction program impacts, or is impacted by, a variety of stakeholder groups as below.

- Community – Local communities benefit from reduced wildfire risk, local jobs, as well as the many environmental and ecosystem benefits.
- NGOs – Several nonprofits support the work, recognizing the overall benefits of the program. However, there are some groups that are opposed to the treatments, where they view any management activities as harmful and driven by economic profits. To this point, the Department has been able to demonstrate benefits and at least gain a passive allowance for the project to proceed.
- Recreation organizations – recreation groups are supportive of management that enhances forest health and resilience, ultimately reducing the incidence of uncharacteristic large wildfires and associated smoke and disruptions to recreating opportunities.
- Other government agencies – Agency support is in favor. Using the Department's "restoration pathway", projects have considerable review among the many programs and divisions within WDFW. Externally, the projects have maintained a high level of support, and mitigation of impacts allows projects to advance toward successful completion.

Overall, the Department has consistently received appreciation and support from non-governmental organizations for our forest health program.

State Facilities Impacts:

N/A

Changes from Current Law:

No changes to current law are necessary to implement this work.

Legal or Administrative Mandates:

RCW 77.12.880 – Wildlife Program Management: "The Department shall manage wildlife programs in a manner that provides public opportunities to view wildlife and supports nature-based and wildlife viewing tourism without impairing the state's wildlife resources." The Forest Health and Fuel Reduction program restores forest habitats that support wildlife species for viewing or other nature-based activities. Further, the restoration activities can result in safer access, where roads and trails are improved, and where risk of catastrophic wildfires is reduced.

RCW 84.34.010 – Open Space, Agricultural, Timber Lands – Current Use, Conservation Futures: “The Legislature hereby declares that it is in the best interest of the state to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands for production of food, fiber, and forest crops, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens [emphasis added – ed.]. The legislature further declares that assessment practices must be so designed as to permit the continued availability of open space lands for these purposes, and it is the intent of this chapter so to provide...” Funding for Forest Health and Fuel Reduction activities preserves the perpetuation of forest ecosystems, supports local nature-based economies, and provides for mental health and well-being, as demonstrated in the marked increase in use of wildlife areas during and following the pandemic.

Forest restoration, wildfire protection, and wildfire prevention require an all-lands, all hands approach. Successful delivery of the 20-year Forest Health Strategic Plan and related plans (the Wildland Fire Protection 10-Year Strategic Plan and the Washington State Forest Action Plan, as referenced in 2SHB 1168, Section 2) requires a cohesive and synergistic approach that spans state agencies and non-state partners. Extensive, long-term funding is required to meet the full breadth and depth of need and legislative intent of 2SHB 1168 and we continue to support the integrated partnership of our state agencies and strongly encourage full and robust support of associated budget requests from the Wildfire Protection, Forest Restoration, and Community Resilience Account (the Account) and other General Fund and Capital Fund sources by DNR, Washington State Parks (Parks), and Washington State Conservation Commission (SCC).

HEAL Act Agencies Supplemental Questions

Although WDFW is not covered under the HEAL Act, the agency is strongly supportive of providing meaningful engagement, reducing environmental harms and health disparities, and increasing equitable access to environmental benefits for overburdened communities and vulnerable populations.

Reference Documents

[OtherSupportingMaterials_ForestHealth&FuelReduction_PL2024.docx](#)

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. C	\$735	\$735	\$1,470	\$735	\$735	\$1,470
Obj. T	\$265	\$265	\$530	\$265	\$265	\$530

Agency Contact Information

Jon Neville
 (360) 561-5079
 jonathan.neville@dfw.wa.gov