

U.S. Department of Agriculture's Forest Service
State and Private Forestry
Report on Landscape Scale Restoration Expected Performance and Accountability

Background: America's State and private forests are served by a sophisticated, ecologically-responsive suite of programs that foster stewardship and sustainability. Encompassing two-thirds of the vast landscape of America's forests, State and private lands provide public benefits such as clean air, clean water, wildlife habitat, outdoor recreation, and about 70 percent of the Nation's wood supply. The State and Private Forestry (S&PF) organization of the U.S. Department of Agriculture's Forest Service, helps to ensure that forest landowners have the best technical, educational, and financial assistance available to help them achieve their objectives in an environmentally-beneficial way. This Federal investment leverages the capacity of State forestry agencies and their partners to manage State and private lands and produce ecological, social, and economic benefits for the American people. Regardless of ownership, forests across the country are experiencing significant challenges to ecosystem health: tree mortality is on the rise due to disease and invasive pests; wildfire continues to increase in size and intensity; ecosystems struggle to adapt to climate change disturbances; and forests are being permanently converted to non-forest uses at a rate of 1 million acres per year.

First implemented in fiscal year (FY) 2008, Redesign was a new approach within S&PF to improve the ability of identifying the greatest threats to forest sustainability and accomplish meaningful change in high-priority areas. The Forest Service and the National Association of State Foresters (NASF) began applying progressive competitive strategies to a portion of the S&PF allocation under Redesign, intended to help address current forestry opportunities and challenges on the ground while demonstrating the value of a public investment in State and private landscapes.

The 2008 Farm Bill codified the main components of Redesign into law by amending the Cooperative Forestry Assistance Act and requiring each State and Territory to develop a Statewide Forest Resource Assessment and Strategy, now called State Forest Action Plans. Those Plans became the first-ever strategic plan for the Nation's State and private forests. They focus on all lands and strategically assess the greatest need, highest value, or strongest innovation potential. They serve as the primary documents identifying priorities for competitive project investment. By focusing on priority outcomes that address landscape-scale issues, the State Forest Action Plans guide investments to conserve, protect, and enhance our forests.

Redesign Competitive Projects: Each year since FY 2008, S&PF has allocated 15 percent, or approximately \$20 million, of applicable S&PF Budget Line Items (BLIs)¹ to competitive projects; focused on issues and landscapes of national importance and on activities that promise meaningful outcomes on the ground. This process is implemented in conjunction with the NASF, and is administered through a Request for Proposal process by each Regional State Forestry Association in the Northeast, South and West. Final project selections and funding are approved by the Deputy Chief of S&PF.

¹ Forest Health – Cooperative (both SPF and WFM); State Fire Assistance (both SPF and WFM); and Forest Stewardship and Urban and Community Forestry.

Since FY 2008, more than 600 Redesign competitive projects have been funded, leveraging over \$130 million in in-kind contributions to match the Federal investment. This process has offered States unique opportunities to develop innovative projects with partners and other stakeholders. Many of these Redesign competitive projects have been regional or multi-State in nature. A number of these projects have been highlighted in annual reports developed collaboratively between S&PF and NASF:

- 2007 Redesign Report Card:
http://www.stateforesters.org/2007_redesign_report_card
- 2008 Redesign Report Card:
http://www.stateforesters.org/2008_Redesign_Report_Card
- 2009 SPF Annual Report:
<http://www.stateforesters.org/FY2009-SPF-Annual-Report>
- 2011 SPF Annual Report:
<http://www.stateforesters.org/FY2011-SPF-Annual-Report>
- 2012 SPF Annual Report:
<http://www.stateforesters.org/fy2012-state-and-private-forestry-report>

Landscape Scale Restoration (LSR): The LSR is a new BLI, first authorized in FY 2014, which will replace the S&PF Redesign approach. Cooperation and coordination across jurisdictional boundaries is needed to deal with the complex issues identified in the States' Forest Action Plans, most of which can only be meaningfully addressed at a landscape level and working through local communities. The Redesign competitive process provided opportunities to address complex issues, but it was limited by the need to provide funds at specific amounts in each of the applicable S&PF BLIs. Analysis of State Forest Action Plans has shown that forest management priorities differ across, and even within States, and surveys conducted in conjunction with NASF have shown that many States would change the configuration of S&PF grant dollars they receive if allowed to do so. LSR creates the ability to fund priority projects without the limits created by specific program funding and allows the use of all S&PF authorities. This will enable States to best target priorities identified in their Forest Action Plans, further increasing the pace and scale of restoration on the Nation's forest lands.

The competitive process began in FY 2014 under the Continuing Resolution and the existing Redesign process. Because of the multi-phase nature of the competitive process, which is managed by the three different State forestry regional organizations, the request for competitive project proposals and guidance for their submission is issued the prior fiscal year. As such, FY 2014 was a bridge year where projects were funded by LSR, but were administered through the prior Redesign process.

LSR Expected Performance and Accountability: FY 2015 will be the first year of full implementation of LSR, with projects requested and selected using updated LSR guidance issued in conjunction with NASF in June of 2014. They can be viewed online at: www.fs.fed.us/spf/redesign/fy2015_national_guidance.pdf. However, as agreed with NASF, FY 2015 will also be an interim year as the Forest Service and NASF work to finalize performance measures, the LSR competitive process details, and an appropriate allocation methodology. The allocation methodology will ensure that the tenets of Redesign and LSR are met, with the ultimate goal of creating a final LSR competition that addresses priorities in

Forest Action Plans by funding the best cross-boundary, landscape-scale projects that are innovative, meet priority needs, and are outcome-driven.

Projects will continue to be focused on those themes outlined in the 2008 Farm Bill and emphasized in the Redesign competitive process which includes conserving working forest landscapes; protecting forests from harm; and enhancing the public benefits of trees and forests. The competitive process will continue to be managed by the three State regional organizations in the Northeast, South and West. Also, just as with Redesign, competitive projects must be targeted to priorities identified in States' Forest Action Plans. However, under a new requirement of the LSR competitive process, projects must be explicitly cross-boundary in nature. Cross-boundary is meant to be defined broadly. It could include any combination

of boundaries—multiple private landowners; private and State landowners; State and local landowners; multiple local landowners; State and Federal landowners; State and State landowners; State and Tribal landowners; as well as projects that cross types of lands—rural/urban for example. It does not require the inclusion of Federal lands.

Accountability and Expected Performance: All LSR projects will be required to report spatial data through the Stewardship Mapping and Reporting Tool (SMART). This is a new requirement and will enable the Forest Service and State Forestry partners to better track outcomes, thereby ensuring they are in priority areas and aligning them with outcomes from other S&PF programs (most notably Forest Stewardship, which is also currently required to report through the SMART system). LSR projects are also meant to serve as a springboard for developing novel methods to measure and demonstrate improved outcomes on the ground in priority areas. For projects selected in FY 2015 and beyond, we expect to see new performance methodologies proposed and tested. The Forest Service and NASF will work together to determine if the Competitive Project Guidance needs to be updated after FY 2015.

The traditional performance measures associated with S&PF programs will still be tracked if LSR projects are contributing to those outcomes. In addition, reporting on individual grants will occur online through the National Information Center portal and include information on partners, deliverables and outcomes, accomplishments, deliverables in progress, leveraging, challenges, and strategic issues. Reports will be requested of the States by the Forest Service at the end of the fiscal year in which project funds were awarded, and at the end of each fiscal year through the end of the project. In addition, specific information on the total value of resources leveraged through partnerships with States and other partners will be tracked and reported each year in the Budget Justification.

Lastly, we expect to continue to highlight select LSR projects as part of an annual report developed in conjunction with NASF. That report is currently being restructured and is expected to be issued again beginning in FY 2015.

LSR projects will help increase the pace and scale of restoration on the Nation's forest lands. More projects are expected to be broader in scope and involve a larger number of jurisdictions and an increased number of partners and stakeholders. The States' Forest Action Plans will continue to guide where investments are made to ensure the highest priority projects are selected. Projects will be able to be developed that more easily focus on these

priorities, which may shift from year-to-year depending on conditions on the ground in each State and across regions. Projects will also be able to be more multi-faceted in nature, encompassing numerous different S&PF program elements in one project because the restrictions on use of individual BLIs are no longer present.

With the \$23,513,000 requested in FY 2015, we expect to leverage resources at a 1.3:1 rate, and would expect to be able to fund 90-100 projects given historical trends in the competitive process. With the \$14,000,000 provided in FY 2014, we funded more than 40 projects.

The LSR competitive process will continue, as envisioned in Redesign, to focus and prioritize S&PF funds and resources to better shape and influence forest land use on a scale, and in a way, that optimizes public benefits from trees and forests for current and future generations. There are more than 500 million acres of non-Federal forest lands in the United States, or two-thirds of the Nation's forests. These important resources generate millions of dollars in forest product revenues and recreational spending; provide well-paying rural jobs; supply more than 50 percent of the Nation's water supply; and support imperiled fish and wildlife species. The LSR program will help ensure our Nation's non-Federal forestlands can continue to provide these important benefits to the American public by allowing States to pursue innovative, landscape-scale projects that focus on their priorities, as identified in Forest Action plans.