



May 15, 2015

Preliminary Executive Summary

Assembly Bill 1492 Report to the Joint Legislative Budget Committee on the Timber Regulation and Forest Restoration Program

**Prepared by the California Natural Resources Agency
and the California Environmental Protection Agency**

**In Fulfillment of the Annual Reporting Requirement of Public
Resources Code Section 4629.9**

Preliminary Executive Summary

The Timber Regulation and Forest Restoration Fund (TRFRF) Program is a component of Assembly Bill 1492 (Committee on Budget, Chapter 289, Statutes of 2012). The major elements of the TRFRF Program provide a funding stream via a one-percent assessment on lumber and engineered wood products sold at the retail level, seek transparency and efficiency improvements to the State's timber harvest regulation programs, provide for development of ecological performance measures, establish a forest restoration grant program, and require program reporting to the Legislature.

This Preliminary Executive Summary is being provided at the request of the Legislature. The full report to meet the AB 1492 requirement for an annual report to the Legislature is near completion and will be provided at a later date.

Implementation of the TRFRF Program began in January 2013. At that time, most of the timber program staff at the responsible agencies (Department of Forestry and Fire Protection, Department of Fish and Wildlife, Department of Conservation, and State and Regional Water Boards) were shifted to program funding from TRFRF, and some initial increases in staffing were authorized for the Department of Fish and Wildlife, whose timber harvest program had been significantly reduced over a number of years. A budget change proposal approved as a part of the State's fiscal year (FY) 2013-14 budget provided additional funding and position authority for the timber review team agencies and, for the first time, authorized and funded an assistant secretary position at the California Natural Resources Agency. This new position was created to help coordinate the work of the review team agencies, interact with stakeholders, and oversee data gathering and assessment. Budget changes in the 2014-15 fiscal year brought additional staffing to CAL FIRE and authorized a total of \$4 million of grant funding (\$2 million/year for two years) for forest restoration projects to benefit listed salmonids.

This report provides an overview of the accomplishments to date in the implementation of the TRFRF Program and provides the specific annual report information for FY 2013-14 that is required by AB 1492 [Public Resources Code (PRC) § 4629.9]. FY 2013-14 was the first full year of implementation for the TRFRF Program. This report also includes a description of program development activities through at least December 2014.

Given the program's charge to improve the timeliness of the review of timber harvesting permits, the table below provides comparative statistics for Timber Harvesting Plan (THP) and Nonindustrial Timber Management Plan (NTMP) approvals in fiscal years 2012-13 and 2013-14. The latter year is the first year that had relatively full implementation of AB 1492. It is important to note that there are many determinants of review times, and only some of them are in control of the reviewing entities.

As the table indicates, review times fell significantly for both THPs and NTMPs, at the same time as the number of THPs and their total acreage increased appreciably.

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Looking specifically at THPs, the most prevalent type of discretionary harvesting permit, in FY 2013-14, program staff reviewed 14% more THPs covering 37% more acres, with the average THP review time decreasing by 22%.

Approved Plan Review Time Statistics, Fiscal Years 2012-13/2013-14.						
Harvest Document Type	Count	Acres	Minimum Days in Review	Maximum Days in Review	Average Days in Review	Median Days in Review
THP	243/278	107,051/146,384	36/40	1,547/927	159/124	108/89
NTMP	12/10	7,365/4,126	81/85	2,688/436	493/189	259/157

A higher staffing level is one factor that can contribute to improved plan review times. As the table below shows, because of the availability of TRFRF moneys, staffing at the review team agencies increased from 161 personnel years (PY) in FY 2012-13 to 192 PY in FY 2013-14, with an additional small increase in FY 2014-15.

Overview of Staffing (PY) and Expenditures for Fiscal Years 2012-13 through 2014-15.			
Department	FY 2012-13	FY 2013-14	FY2014-15
CAL FIRE	95	101	104
Department of Fish and Wildlife	26	41	41
Water Boards	27.8	32.1	33.1
Department of Conservation	12.1	15	15
Natural Resources Agency	0	2	2
Total PY	160.9	192.1	195.1
Total TRFRF Expenditures¹	\$7,011,454	\$22,076,098	N/A

¹Includes expenditures for fee administration at the State Board of Equalization.

Looking at TRFRF Program accomplishments more broadly, in FY 2013-14, and through the end of calendar year 2014, the TRFRF Program focused on:

- Filling new positions;
- Developing and administering training programs for new and existing staff;
- Establishing the new Program leadership position at the California Natural Resources Agency;
- Establishing a Leadership Team to manage the overall efforts of the Program;
- Following-up on the Redding Timber Harvesting Review Pilot Project, which predated AB 1492;
- Making improvements to on-line timber harvesting plan information;
- Working on an ongoing basis to provide a high level of service in the review of timber harvesting projects by striving for the timely processing of harvesting plans while also providing a rigorous level of environmental review, inspection, and enforcement;

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- Developing working groups to address the new program areas of administrative performance, data management and sharing, ecological performance measures, and designing public input processes;
- Improving interagency coordination and communication by reestablishing regular “roundtable” meetings of program managers and meetings of regional and local staff;
- Securing the funding and launching a forest restoration grant program through the Department of Fish and Wildlife’s Fisheries Restoration Grant Program;
- Holding a public meeting to provide information and take comments on initial Program steps and draft charters for the working groups;
- Beginning planning to undertake pilot projects for timber harvest data assessment and forest restoration needs identification at the planning watershed (3-10,000-acre landscapes) level.
- Identification of additional funding and staffing needs to move forward in carrying out the tasks of the working groups, conducting pilot projects, and expanding forest restoration grant programs.

Going forward in the current and next fiscal years, new areas of focus for the program are:

- Developing detailed work plans for each of the working groups (administrative performance, data management and sharing, and ecological performance measures) and beginning to carry out this work;
- Providing enhanced opportunities for public input into the program, including the establishment of an advisory committee, with the assistance of an experienced collaborative process organization.
- Securing the additional resources needed to carry out the tasks assigned to the working groups and to provide more grant funds for forest restoration work.
- Continuing to identify and address opportunities to improve efficiencies and accountability in the timber harvest permitting programs; and
- Beginning implementation of planning-watershed-based pilot projects.
- Beginning the particularly complex challenge of developing ecological performance measures for management outcomes on the State’s forests and timberlands. The California Natural Resources Agency and the California Environmental Protection Agency, and our respective departments and boards, have the lead responsibility for this task. We will work collaboratively with a wide range of stakeholders, coordinate with the Board of Forestry and Fire Protection’s Effectiveness Monitoring Committee, and seek outside scientific and technical expertise to further the work on this task.