**Long-Term Sustainable Funding for Cooperation on Forest and Watershed Restoration**

What is the overall financial need?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Needed treatments | Frequent fire | 40% | Annual target | cost/acre | Annual |
|  | acres | | | $ | |
| Pine | 2,597,000 | 1,038,800 | 51,940 | 500 | 25,970,000 |
| Mixed conifer | 922,000 | 368,800 | 18,440 | 800 | 14,752,000 |
| P-J | 3,401,750 | 1,360,700 | 68,035 | 300 | 20,410,500 |
| Total | 6,920,750 | 2,768,300 | 138,415 |  | 61,132,500 |

Currently, about 33,000 acres are being treated annually, at an investment of about $16.5 million. This leaves a gap between annual needs for treatments and annual investments in treatment of $44.6 million. We can not fill that gap with only state money, and anticipate that federal agencies, local governments, and private funding will step up in response to the state’s action. Given that no single entity can or should bear the entire cost, it makes sense for one-third of this need to come from the State, with the remaining coming from other sources.

The requested support from the state is $15 million per year, with the majority going to on-the-ground treatments. This fund would close in 20 years, unless renewed.

What should the money go to?

- thinning [on-the-ground restoration treatments], this will be not less than 60-70% of funds

- planning (up to 50% of the costs for any one project)

- economic development and wood utilization

- work force development

How will the money be distributed?

Four possibilities for administering the funding have been thoroughly discussed. The best place to administer the fund (and to manage the list) is the Forest and Watershed Health Coordinating Group (FWHCG) of State Forestry. Anything else would be a duplicate effort, since most of the agencies and groups that would be involved in fund administration are already members of the FWHCG. Shortcomings that need to be addressed are: the FWHCG does not currently have sufficient structure, and will need to be formalized as a review board; Econ Dev and either NMFA or DFA need to be represented; decision authority needs to reside in the group/board.

## Criteria for use of long-term funding once available:

* NEPA-ready (or other planning completed on non-federal lands)
* High priority wildfire areas
* Protects water used by people
* Community readiness to achieve wildfire risk-reduction
* In an area with wood supply for biomass, small diameter utilization, or traditional forest products
* Targeted at priority areas, not shotgunned across the landscape
* Already a priority in the Forest & Watershed Health Plan, Forest Action Plan, Water Fund (which has the most recent prioritization), Communities at Risk (CARs), CWPPs, etc
* Create incentives to increase investment by federal/state/local/tribal/private, including new investment by downstream water users to manage forested headwaters and water sources
* Leverage and/or match funding from all sources (federal/state/local/tribal) and program types (water, forest, fire, wildlife habitat, and economic development)
* Incorporate actions recommended by existing plans and where new plans are developed, seek to integrate forest, fire, and water management with community and economic development.

Where will the money come from?

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