

# Social and Economic Systems

## Analysis Area

The analysis area for the social and economic systems directly influenced by management in the Kootenai Idaho Panhandle Plan Revision Zone (KIPZ) is comprised of Benewah, Bonner, Boundary, Kootenai and Shoshone counties in Idaho; and Lincoln and Sanders counties in Montana.

A description of the analysis area, including a list of counties indirectly influenced by KIPZ management, is included in the document *Conditions and Trends: Social and Economic Systems for the Kootenai and Idaho Panhandle Plan Revision Zone* (Russell et al., March 2006). Hereinafter, this text will be referred to as the KIPZ Social and Economic document.

## Conditions and Trends

The AMS and AMS Technical Report described the social and economic environment for the plan revision zone and set the context for forest management and the forest plan revision. Social and economic systems' information from the AMS has been updated and additional information collected and analyzed. The conditions and trends of the social and economic systems within the KIPZ are fully described in the KIPZ Social and Economic document (*Conditions and Trends: Social and Economic Systems for the Kootenai and Idaho Panhandle Plan Revision Zone*, Russell et al., 2006).

As described in the KIPZ Social and Economic document, the Forests provide a variety of uses, values, benefits, products, services, and visitor opportunities (termed “outputs and values”). Under the Proposed Land Management Plan (the Plan), these outputs and values will be provided in a sustainable manner, supplying outputs and values for current and future generations. Output levels would remain similar to those experienced over the last several years.

Under the Proposed Land Management Plan, trends described in the KIPZ Social and Economic document are expected to continue. Forest management and the associated output levels, services, uses, and values are expected to continue at levels similar to the past five years. The following information provides specific descriptions of trends from forest management that could be expected under the Plan.

## Jobs and Income

As described in the KIPZ Social and Economic document, pages 29-34, management of the national forests contributes to the local economies through the production of commodities (e.g., timber, minerals, and grazing) that are produced on the national forests and processed in the local economy, by uses (e.g., recreation visits, scenery, etc.) that occur on the national forests, and by the service provided by employees on the national forests. These goods and services are also produced in response to regional and national demand for these outputs and products.

An IMPLAN (IMpact analysis for PLANning) input-output model was used to estimate jobs and income associated with forest management under the Proposed Land Management Plan. The IMPLAN system is an economic input-output model, a type of model that is frequently used for economic impact analysis. It can be especially useful in estimating the economic effects of policy

changes and different resource uses. Given that jobs and income are directly related to the expected outcomes described in the objectives of the Plans, this model makes it possible to estimate the total economic effects of any kind of economic change in a regional economy. More information related to this model can be found on pages 29-34 of the KIPZ Social and Economic document.

Tables SE-1 and SE-2, below, display Forest Service-related employment and compare current management (based on a three-year average using 2002 – 2004 data) to expected outcomes under the Plans.

**Table SE-1 IPNF-Related Contributions to Employment by Program**

Resource	Current (Number of Jobs)	Proposed Land Management Plan (Number of Jobs)
Recreation	332	332
Wildlife and Fish	205	205
Grazing	5	5
Timber	878	1,273 – 1,322
Minerals	0	0
Payments to States/Counties	170	170
Forest Service Expenditures	1,182	1,182
<b>Total Forest Management</b>	<b>2,771</b>	<b>3,166 – 3,215</b>
<b>Percent Change from Current</b>	<b>---</b>	<b>14.3 – 16.0%</b>

**Table SE-2 KNF-Related Contributions to Employment by Program**

Resource	Current (Number of Jobs)	Proposed Land Management Plan (Number of Jobs)
Recreation	379	379
Wildlife and Fish	301	301
Grazing	7	7
Timber	1,301	1,143 – 1,367
Minerals	22	22
Payments to States/Counties	165	165
Forest Service Expenditures	812	812
<b>Total Forest Management</b>	<b>2,987</b>	<b>2,828 – 3,052</b>
<b>Percent Change from Current</b>	<b>---</b>	<b>- 5.3 - 2.2%</b>

Tables SE-3 and SE-4 display Forest Service-related income and compare current management (based on a three-year average using 2002 – 2004 data) to expected outcomes under the Plans.

**Table SE-3 IPNF-Related Contributions to Labor Income by Program**

Resource	Current (Thousand \$)	Proposed Land Management Plan (Thousand \$)
Recreation	\$7,271.3	\$7,271.3
Wildlife and Fish	\$4,511.7	\$4,511.7
Grazing	\$37.6	\$37.6
Timber	\$23,142.2	\$33,399.7 - \$34,664.8
Minerals	\$0.0	\$0.0
Payments to States/Counties	\$5,466.9	\$5,466.6
Forest Service Expenditures	\$41,252.1	\$41,252.1
<b>Total Forest Management</b>	<b>\$81,681.7</b>	<b>\$91,939.0 - \$93,204.1</b>
<b>Percent Change from Current</b>	<b>---</b>	<b>12.6 - 14.1%</b>

**Table SE-4 KNF-Related Contributions to Labor Income by Program**

Resource	Current (Thousand \$)	Proposed Land Management Plan (Thousand \$)
Recreation	\$8,353.1	\$8,353.1
Wildlife and Fish	\$6,667.3	\$6,667.3
Grazing	\$69.9	\$69.9
Timber	\$35,093.9	\$30,896.7 - \$36,954.9
Minerals	\$776.3	\$776.3
Payments to States/Counties	\$4,779.4	\$4,779.4
Forest Service Expenditures	\$29,056.2	\$29,056.2
<b>Total Forest Management</b>	<b>\$84,796.2</b>	<b>\$80,598.9 - \$86,657.1</b>
<b>Percent Change from Current</b>	<b>---</b>	<b>- 4.9 - 2.2%</b>

For the IPNF, Tables SE-1 and SE-3 indicate a possible increase in jobs and income under the Plan. This possible increase is due to an increase in projected timber harvest levels over average timber harvest levels from 2002 through 2004. Average timber harvest on the IPNF from 2002 through 2004 was 45.6 MMBF. Under the Plan, timber harvest levels are expected to be 69.9 – 73.2 MMBF, which is similar to planned harvest levels (60 MMBF) for the last several years.

For the KNF, Tables SE-2 and SE-4 indicate that jobs and income would remain similar to current levels, with the possibility of a slight decrease or increase. Any change from current levels is due to a change in timber harvest levels. Average timber harvest on the KNF from 2002 – 2004 was 60.1 MMBF. Under the Plan, timber harvest levels are expected to be 55.7 – 65.7 MMBF on the KNF.

For calculating jobs and income, recreation figures were kept constant for current use and for the Proposed Land Management Plan. Recreation levels were based on results from the National Visitor Use Monitoring (NVUM) for each forest. Recreation use is actually expected to increase in the future, mostly due to increases in population and demand. Management under the Plans is not expected to affect total recreation numbers, but may influence the quality of the experience. As use increases, there may be crowding at popular sites that may diminish the recreational experience. For more information on recreation trends, refer to the Access and Recreation section of this document. An increase in recreation was not included in this analysis of jobs and income

since this change would not occur as a result of the Plans, but primarily as a result of increases in population.

## Revenues to States and Counties

Revenues to states and counties from national forest management are not expected to change under the Plans. The Secure Rural Schools and Community Self-Determination Act (PL 106-393) was enacted in October 2000, to remove the variability in the funds counties received under the National Forest Revenue Act, which provided counties with 25 percent of gross receipts (25 percent funds) from NFS lands. Previous to this, the 25 percent funds were highly variable, fluctuating with timber harvest levels. The Secure Rural Schools and Community Self-Determination Act eliminated the link between payments and timber receipts from NFS lands. This Act is due to expire in 2006, however, legislation is currently being considered regarding its extension.

Another source of revenue for counties with NFS lands is Payments in Lieu of Taxes (PILT). These funds are not linked to management of the national forests, but are dependent on population, acreage of federal ownership, and payments received under the Secure Rural Schools and Community Self-Determination Act or the 25 percent funds. Forest management will not affect funds received under PILT.

## Communities, Lifestyles, and Values

The KIPZ Social and Economic document and the associated Forest Social Assessments (Russell and Adams-Russell 2003 and Parker et al., 2002) define and describe the social and economic environment of the KIPZ and the relationship of local communities to national forest management. The outputs and values provided by the KIPZ contribute to the quality of lifestyles found in the planning area. As described in the Social and Economic document (pages 48 – 49), the KIPZ is perceived as providing a range of benefits to local communities, including the following:

- Recreational opportunities are an important perceived benefit of NFS lands. Individuals and groups with diverse recreational interests value the available opportunities related to the pursuit of outdoor activities close to their residences and places of work.
- Open space is of significant value to the residents who view NFS lands as integral to the qualities of community and place in this region. Open space also contributes to the rural character of communities.
- Economic values exist in the resources that can be extracted from public lands (e.g., minerals, timber, and other plant material) and in the scenic, amenity, and recreational resources that attract tourists.
- Fiscal benefits accrue to counties from PILT, funds from the Secure Rural Schools and Self-Determination Act of 2000, timber taxes, and other federal payments related to public lands.
- Existence benefits are associated with special places (e.g. wilderness and roadless areas) and resources (e.g., grizzly bear) as well as with the forest as a whole. For example, providing habitat for diverse plants and wildlife and ecological conditions that contribute to water quality.

- The Forest also contributes leadership, organizational, facility, and other resources to communities. Agency personnel also participate as community members in clubs, organizations, volunteer efforts, and other elements of community life. There is also some economic contribution when purchases can be made locally.

The Forest's role in contributing to the outputs and values that support these community benefits is not expected to change under the Plans. Outputs and values will be provided at levels similar to those currently generated while recreation and visitor use is expected to increase, as populations grow.

The communities within the analysis area are in a state of transition: An important source of change is the decline of the wood products and mining industries over the past 10 – 15 years, while recreation and tourism has increased. Other sources of change include an influx of new residents, especially retirees and seasonal homeowners, whose values and lifestyles sometimes differ from those of longer-term residents. The increasing diversity of views and lifestyles is perceived to be altering the rural character of communities and personal freedoms valued by longer-term residents.

The decline in wood products industries experienced over the last decade is expected to level off under the Plans. The historical decline in mining may change in the near future, with the recent reopening of the Troy mine in the Kootenai National Forest. Interest in the development of two copper and silver mines in the KNF has also been put forth. Communities will continue to diversify and change, as new residents continue to migrate to the area.

The KIPZ Social and Economic document defined and described six “community ideal types,” based on categories that linked the communities to forest management (see pages 50 – 57). These categories included geographic proximity, economic, social, and cultural (values and lifestyles) criteria that link communities to forested lands and resources. Communities adjacent or within the KIPZ were then categorized by these six ideal types and current affects from forest management described. The following is a description of the trends expected under the Plan for the six community types:

**Native American Communities** – these communities will continue to have strong ties to forest management, through political, economic, social, and cultural linkages. Under the Plan, Forest managers are expected to continue to coordinate with and provide for Native American rights and interests.

**Urban Regional Centers** – these communities are tied to forest management primarily through recreational use and the existence and amenity values of nearby national forest(s). Forest management under the Plans is expected to continue to provide for a variety of recreational opportunities, at or above current levels, as well as other amenities such as scenery and solitude. Some decrease in the quality of recreational experiences may occur as populations increase, causing crowding of popular sites. These urban regional centers are expected to continue to expand, diversify, and grow into the future.

**Commodity Communities** – these communities are tied to forest management through commodity production or processing. Forest management under the Plans is expected to continue to provide wood fiber, grazing, and minerals at current levels. Wood fiber production is expected to include products in the smaller diameter size (5 – 10 inches DBH), in response to demand. Although commodity production should remain stable under the Plans, these communities are expected to continue to change as new residents move in, bringing different attitudes, values, and beliefs. This change in community

values, beliefs, and identities creates social tension related to resource management issues. These communities are expected to evolve into Transition Communities (described below) as their populations and businesses change.

**Transition Communities** – these communities are tied to forest management through the production of both commodities and recreation values. Forest management under the Plans is expected to continue to provide commodities and recreation opportunities at or above current levels. Access to the Forest will continue to be an issue and source of conflict, with a desire by some for more access, a desire by others for less, and resource concerns limiting management decisions. The ability to increase access opportunities will remain limited under the Plans. These communities will continue to undergo a great deal of change, as populations and businesses diversify, and economic structures, patterns of use, and values about forest resources change.

**Diversity Communities** – these communities are tied to forest management primarily through recreation, sense of place (aesthetics and place meanings and values), and access to forested lands. Forest management under the Plans is expected to continue to provide a variety of recreational opportunities at or above current levels. Access will continue to be a management challenge under the Plans, with limited or no ability to provide increased opportunities due to other resource concerns. Changes in access may occur to specific areas, roads or trails. Due to their economic and social diversity, these communities more easily able to adapt to changing conditions with increased population and forest management than Transition or Commodity communities.

**Rural Forest Communities** – these communities are tied to forest management through the production of commodities, recreation, place, and lifestyle. This type of community has similar linkages to forest management as Commodity and Transition communities. Outcomes under the Plans would be similar to Commodity and Transition communities, with commodity and recreation use at or near current levels. New residents to these communities will continue to affect change through a diversification of attitudes, values, and beliefs.

## Environmental Justice

As required by Executive Order (EO) 12898, all federal actions must consider potentially disproportionate effects on minority or low-income communities. The Proposed Land Management Plans are strategic and programmatic in nature, providing guidance and direction to future site-specific projects and activities. These Plans do not create, authorize, or execute any ground-disturbing activity, although they do provide for the consideration of certain types of activities. Site-specific activities will consider potential disproportionate effects on minority or low-income communities during project planning.

The social assessments and the KIPZ Social and Economic document did not identify any disproportionate impacts from forest management. In addition, collaboration on the Plans did not identify any concerns regarding disproportionate impacts to low-income or minority populations.

## References Cited

Parker, Julia, J.D. Wulforth, and Jennifer Kamm. 2002. *Social Assessment for the Idaho Panhandle National Forests*. University of Idaho.

Russell, John C., Peggy Adams-Russell, Ellen Frament, and Mike Niccolucci. 2006. *Conditions and Trends: Social and Economic Systems for the Kootenai and Idaho Panhandle Plan Revision Zone*, Libby, MT, Kootenai National Forest.

Russell, John C. and Peggy A. Adams-Russell. 2003. *Social Assessment for the Kootenai National Forest, Update: 2003*. Libby, MT, Kootenai National Forest.