

WHITE PAPER



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Pacific Northwest Region

Umatilla National Forest

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Fact Sheet: Forest Service Trust Funds¹

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INTRODUCTION

When national forest timber is sold, receipts generated by the sale can be retained by the Forest Service to pay for:

- Reforestation of the timber sale cutting units, and to finance sale-area improvements within the timber sale boundary (Knutson-Vandenberg funds).
- To prepare and administer future salvage sales (Salvage Sale Fund).
- To treat or remediate slash (woody debris) created by the timber sale itself (Brush Disposal funds).
- To complete road maintenance activities associated with the timber sale.
- To provide credits (in lieu of stumpage payments) for specified road developments (generally new road construction) required of the timber-sale purchaser (Purchaser Road Credits).

¹ White papers are internal reports; they receive only limited review. Viewpoints expressed in this paper are those of the author – they may not represent positions of the USDA Forest Service.

- To provide payments to counties for use with their public road system, and for public schools (National Forest Fund, which receives 25% of all monies received). [Note that federal law also requires that at the end of the fiscal year, 10% of all monies received is to be deposited into the Roads and Trails Fund – these funds are to be expended for roads and trails in the national forests from which the monies were derived.]

Many of the funds mentioned in this list are collectively referred to as ‘trust funds.’ This white paper is a short fact sheet providing general information about four common trust funds used in the Forest Service. Note that one of the funds described in this white paper, the Reforestation Trust Fund, is not derived from timber sale receipts.

Please contact the author of this white paper if you believe there are inconsistencies or contradictions between K-V Handbook or Manual direction (and its supplements), and any of the information provided in this white paper.

BRUSH DISPOSAL (BD)

- A permanent appropriation passed into law in 1916 (e.g., the Brush Disposal Act of August 11, 1916).
- BD funds provide a mechanism to deal with slash and fuels generated by timber sale activities (and also stewardship contracts) by having the timber purchaser make deposits to the United States (Forest Service) to cover the cost of disposing of brush and woody debris resulting from the purchaser’s harvest operations.
- Deposits are collected for fuels reduction work on individual timber sale areas, and they can only be used on that specific sale area.
- It is possible to require the purchaser to deal with slash by including an appropriate clause in the timber sale contract (rather than collecting a deposit from the purchaser and having the work completed by USFS). To the extent practical and feasible, the purchaser is encouraged to perform as much of the brush disposal work as possible.
- The basis for calculating BD deposits is the Brush Disposal Treatment Plan (FS-2400-62 form), including associated maps showing treatment locations, and narratives describing project objectives and cost calculations for work activities.
- The deposit amount is calculated and fixed (frozen) at the time of timber sale award, and it cannot be changed after then unless rates are redetermined for the timber sale, when all deposits, credits, and collections can then be recalculated.

KNUTSON-VANDENBERG (K-V)

- Originally passed into law on June 9, 1930; amended on October 22, 1976 with passage of the National Forest Management Act (NFMA).
- The K-V fund is a trust fund that collects a portion of timber sale receipts for reforestation in the timber sale area, and for other activities such as wildlife habitat improvement and fuels reduction (but only for treatment of pre-existing fuels, not for treatment of activity fuels created by the timber sale because they would typically be treated by using BD funds).
- Amendments by NFMA broadened the scope of the K-V Act to provide funds for other renewable resource projects and their associated costs (wildlife habitat, range improvement, noxious weed treatments, watershed improvement, etc.).
- Congressional intent for K-V Act was to authorize the Secretary of Agriculture to complete required (essential) reforestation work without delay, and to minimize risks associated with a fluctuating budget process (i.e., enable time-sensitive work spanning multiple fiscal years to proceed without delay).
- K-V funds are derived from receipts generated by sale of national forest timber.
- The K-V program declined in recent years due primarily to two factors: (1) a decline in timber volume offered from national forest system lands, and (2) declining timber values, which affected stumpage value (and associated collections) generated by a timber sale.
- K-V funds are collected for renewable resource projects on individual timber sale areas, and they can only be used within the timber sale area from which they were collected (according to the 1976 NFMA amendment to the K-V Act, nonrenewable resources such as cultural resources are not covered by K-V).
- Criticism about the K-V program during the 1980s and 1990s focused on the use of K-V funds to cover indirect expenditures associated with administering the program.
- The District Court for northern California, however, ruled in January 1999 that the Forest Service acted within the law (K-V Act) to cover indirect costs associated with implementing K-V projects, and that K-V administrative expenses are not covered by any other category of appropriations.

REFORESTATION TRUST FUND (RTF)

- Established under Title III of the Recreational Boating Safety and Facilities Improvement Act of 1980.
- Provides up to \$30,000,000 annually toward reforestation and timber stand improvement (TSI) work; funds are derived from tariffs imposed on imported timber and wood products.
- RT funds are used as an ‘offset’ in the Forest Service’s annual budget request for appropriated reforestation and TSI funding (i.e., the RTRT funds are used to offset appropriated funds that would otherwise be requested, from Congress, in the NFVW budget line item).
- The RTF provides a reliable funding source for certain types of forest vegetation management work, primarily as related to nurseries, reforestation, and noncommercial thinning.
- RT funds may be used for reforestation and TSI work throughout the National Forest System.
- The 1980 authorizing legislation specifically provides for use of RT funds for “properly allocable administrative expenses.” This means that RT funds can be used for program support costs.

SALVAGE SALE FUND (SSF)

- SSF is a permanent appropriation enacted into law in 1976 upon passage of the National Forest Management Act (specifically, section 14h of NFMA, P.L. 94-588).
- Primary purpose of SSF is to salvage insect infested, dead, damaged, or down timber, and to remove associated trees, for stand improvement.
- The primary intent of SSF is to address three situations: (1) salvage plus sanitation (reduce spread of an existing insect or disease outbreak); (2) salvage plus stand improvement (remove dead and dying trees, and also accomplish stand improvement treatments); and (3) salvage plus regeneration (generally involving removal of all the existing timber, followed by reforestation to establish a new stand).
- Congressional intent was to authorize the Secretary of Agriculture to expeditiously remove damaged timber following disturbance events, and to minimize salvage program fluctuations associated with the appropriations (budgeting) process.
- SSF funds are taken from timber sale receipts; calculated amounts are based on recovering the costs of salvage sale preparation and administration.
- Beyond what is retained for deposits (BD, etc.), credits (Purchaser Road Credits), and the National Forest Fund (25% of collected receipts), it is possible for all of the

remaining timber sale receipts to be collected as SSF. In other words, a green timber sale can have a 5% salvage component (with 95% being non-salvage component), and yet the discretionary receipts can be allocated totally (100%) to SSF unless the sale includes required reforestation, which would be collected before SSF. Some employees find this situation confusing because they think that if the salvage component is 5%, it means that SSF can only collect 5% of the discretionary receipts (those receipts beyond NFF, BD, etc.). This interpretation is not correct.

- The SSF program fluctuates as a result of uncertainty associated with the occurrence of disturbance events generating salvage opportunities and needs; in the early 1990s, for example, salvage-sale volume fluctuated from a high of 2.9 billion board feet in 1990 following Hurricane Hugo to a low of 1.0 billion board feet in 1994.
- The Salvage Sale Fund is a pooled account managed at the national forest level, and SSF funds may be transferred to other units (national forests). Sometimes, SSF transfers between national forests are managed as 'loans,' with an expectation that amounts transferred from one Forest will eventually be repaid by the receiving Forest.

GENERAL CONSIDERATIONS

- The Forest Service is required by law to transfer surplus or excess collections from the Knutson-Vandenberg, Brush Disposal, and Salvage Sale funds to the United States Treasury annually. These amounts are determined by completing an "annual balance review" evaluating the funding amounts needed to accomplish remaining work shown on approved K-V, BD, and SSF plans.
- K-V funds identified as 'surplus or excess' during the annual CWKV balance review can be retained, at the Washington Office level, as CWK2 funds (rather than being transferred to the U.S. Treasury). The CWK2 funds can then be distributed to the Regions through the normal budget allocation process (typically, CWK2 are allocated to Regions in the same proportion as the Regions originally generated the surplus or excess K-V funds). Chapter 20 of the Renewable Resources Handbook describes the CWK2 program.

APPENDIX: SILVICULTURE WHITE PAPERS

White papers are internal reports, and they are produced with a consistent formatting and numbering scheme – all papers dealing with Silviculture, for example, are placed in a silviculture series (Silv) and numbered sequentially. Generally, white papers receive only limited review and, in some instances pertaining to highly technical or narrowly focused topics, the papers may receive no technical peer review at all. For papers that receive no review, the viewpoints and perspectives expressed in the paper are those of the author only, and do not necessarily represent agency positions of the Umatilla National Forest or the USDA Forest Service.

Large or important papers, such as two papers discussing active management considerations for dry and moist forests (white papers Silv-4 and Silv-7, respectively), receive extensive review comparable to what would occur for a research station general technical report (but they don't receive blind peer review, a process often used for journal articles).

White papers are designed to address a variety of objectives:

- (1) They guide how a methodology, model, or procedure is used by practitioners on the Umatilla National Forest (to ensure consistency from one unit, or project, to another).
- (2) Papers are often prepared to address ongoing and recurring needs; some papers have existed for more than 20 years and still receive high use, indicating that the need (or issue) has long standing – an example is white paper #1 describing the Forest's big-tree program, which has operated continuously for 25 years.
- (3) Papers are sometimes prepared to address emerging or controversial issues, such as management of moist forests, elk thermal cover, or aspen forest in the Blue Mountains. These papers help establish a foundation of relevant literature, concepts, and principles that continuously evolve as an issue matures, and hence they may experience many iterations through time. [But also note that some papers have not changed since their initial development, in which case they reflect historical concepts or procedures.]
- (4) Papers synthesize science viewed as particularly relevant to geographical and management contexts for the Umatilla National Forest. This is considered to be the Forest's self-selected 'best available science' (BAS), realizing that non-agency commenters would generally have a different conception of what constitutes BAS – like beauty, BAS is in the eye of the beholder.
- (5) The objective of some papers is to locate and summarize the science germane to a particular topic or issue, including obscure sources such as master's theses or Ph.D. dissertations. In other instances, a paper may be designed to wade through an overwhelming amount of published science (dry-forest management), and then synthesize sources viewed as being most relevant to a local context.
- (6) White papers function as a citable literature source for methodologies, models, and procedures used during environmental analysis – by citing a white paper, specialist reports can include less verbiage describing analytical databases, techniques, and so forth, some of which change little (if at all) from one planning effort to another.
- (7) White papers are often used to describe how a map, database, or other product was developed. In this situation, the white paper functions as a 'user's guide' for the new product. Examples include papers dealing with historical products: (a) historical fire extents for the Tu-

cannon watershed (WP Silv-21); (b) an 1880s map developed from General Land Office survey notes (WP Silv-41); and (c) a description of historical mapping sources (24 separate items) available from the Forest's history website (WP Silv-23).

The following white papers are available from the Forest's website: [Silviculture White Papers](#)

Paper #	Title
1	Big tree program
2	Description of composite vegetation database
3	Range of variation recommendations for dry, moist, and cold forests
4	Active management of dry forests in the Blue Mountains: silvicultural considerations
5	Site productivity estimates for upland forest plant associations of the Blue and Ochoco Mountains
6	Fire regimes of the Blue Mountains
7	Active management of moist forests in the Blue Mountains: silvicultural considerations
8	Keys for identifying forest series and plant associations of the Blue and Ochoco Mountains
9	Is elk thermal cover ecologically sustainable?
10	A stage is a stage is a stage...or is it? Successional stages, structural stages, seral stages
11	Blue Mountains vegetation chronology
12	Calculated values of basal area and board-foot timber volume for existing (known) values of canopy cover
13	Created openings: direction from the Umatilla National Forest land and resource management plan
14	Description of EVG-PI database
15	Determining green-tree replacements for snags: a process paper
16	Douglas-fir tussock moth: a briefing paper
17	Fact sheet: Forest Service trust funds
18	Fire regime condition class queries
19	Forest health notes for an Interior Columbia Basin Ecosystem Management Project field trip on July 30, 1998 (handout)
20	Height-diameter equations for tree species of the Blue and Wallowa Mountains
21	Historical fires in the headwaters portion of the Tucannon River watershed
22	Range of variation recommendations for insect and disease susceptibility
23	Historical vegetation mapping
24	How to measure a big tree
25	Important insects and diseases of the Blue Mountains
26	Is this stand overstocked? An environmental education activity
27	Mechanized timber harvest: some ecosystem management considerations
28	Common plants of the south-central Blue Mountains (Malheur National Forest)
29	Potential natural vegetation of the Umatilla National Forest

Paper #	Title
30	Potential vegetation mapping chronology
31	Probability of tree mortality as related to fire-caused crown scorch
32	Review of the “Integrated scientific assessment for ecosystem management in the interior Columbia basin, and portions of the Klamath and Great basins” – forest vegetation
33	Silviculture facts
34	Silvicultural activities: description and terminology
35	Site potential tree height estimates for the Pomeroy and Walla Walla ranger districts
36	Tree density protocol for mid-scale assessments
37	Tree density thresholds as related to crown-fire susceptibility
38	Umatilla National Forest Land and Resource Management Plan: forestry direction
39	Updates of maximum stand density index and site index for the Blue Mountains variant of the Forest Vegetation Simulator
40	Competing vegetation analysis for the southern portion of the Tower Fire area
41	Using General Land Office survey notes to characterize historical vegetation conditions for the Umatilla National Forest
42	Life history traits for common conifer trees of the Blue Mountains
43	Timber volume reductions associated with green-tree snag replacements
44	Density management field exercise
45	Climate change and carbon sequestration: vegetation management considerations
46	The Knutson-Vandenberg (K-V) program
47	Active management of quaking aspen plant communities in the northern Blue Mountains: regeneration ecology and silvicultural considerations
48	The Tower Fire...then and now. Using camera points to monitor postfire recovery
49	How to prepare a silvicultural prescription for uneven-aged management
50	Stand density conditions for the Umatilla National Forest: a range of variation analysis
51	Restoration opportunities for upland forest environments of the Umatilla National Forest
52	New perspectives in riparian management: Why might we want to consider active management for certain portions of riparian habitat conservation areas?
53	Eastside Screens chronology
54	Using mathematics in forestry: an environmental education activity
55	Silviculture certification: tips, tools, and trip-ups
56	Vegetation polygon mapping and classification standards: Malheur, Umatilla, and Wallowa-Whitman national forests
57	The state of vegetation databases on the Malheur, Umatilla, and Wallowa-Whitman national forests

REVISION HISTORY

January 2001: minor formatting and editing changes were made when this fact sheet was used as handout material for a Trust Funds Management training offered at the Umatilla NF Supervisor's Office on January 17, 2001.

February 2014: minor formatting and editing changes were made, primarily to bring this material in line with the most recent version of the Renewable Resources Handbook, FSH 2409.19.