Costs

Introduction

This is a required monitoring item under the National Forest Management Act (NFMA). The "costs" refer to the costs required to manage the Forest, which in large part are the costs needed to implement the Forest Plan and its various resource programs. Certain costs, like those needed to produce an allowable sale quantity of timber, are projected during Forest Plan development or revision, but these costs are sometimes associated with maximum potential outputs rather than what a Forest can accomplish based on annual funding, personnel, or work plans. Such variables tend to fluctuate on an annual basis. Therefore, this report will focus on the budget funding projected to accomplish the 2008 annual program of work, and how close the Forest actually came to using that projected funding to achieve work related to Forest Plan implementation.

2008 Accomplishments

There are no accomplishments to report for costs, although budget funding and spending were used to achieve the accomplishments described in the Outputs and Services section of this report. Budget funding and spending are displayed in Table C-1, below.

Monitoring and Evaluation

FOREST PLAN MONITORING ITEMS FOR COSTS

The 2006 Forest Plan includes one monitoring item for costs on page IV-6:

2. *Costs: How close are projected costs to actual costs?*

Despite what this monitoring item implies, there are no specific management costs listed in the Forest Plan, nor is there any specific Forest Plan direction for costs. Forest Plan implementation costs must be calculated on an annual basis, as they are influenced by annual variables such as budget, personnel, materials and supplies, vehicle use, and inflation rates. The Final EIS for Forest Plan Revision (2006) conducted an economic analysis that looked at several key resource-related costs for Plan implementation, but this analysis did not come close to including all the costs that are involved in operating a Forest and its many program areas on an annual basis. The best way to show these operating costs, both projected and actual, is to look at the annual budget allocations and expenditures for the Forest.

Monitoring Question 2. How close are projected costs to actual costs?

Table C-1 shows both the budget allocations and expenditures for 26 program area funding codes that were used on the MNF. These program areas cover most of the annual operations on the MNF, and most of these operations are related to specific management goals and objectives in

the Forest Plan. For example, the program code CMTL (Capital Improvement/Maintenance – Trails) helps pay for the improvement or maintenance of recreation trails on the Forest, which ties directly back to Objective RC04 in the Forest Plan: "Provide an annual average of 75 miles of trail maintenance/reconstruction in wilderness, and 350 miles in non-wilderness areas" (page II-33). Other Forest Plan ties are not so obvious, but they do exist. For instance, the program codes NFTM, TPPS, NFVW, NFWF, and WFPR could all help fund tree-harvesting activities for a variety of vegetation, habitat, or fuel reduction objectives in the Plan.

Although Table C-1 does not account for the entire budget—it is missing project earmarks, line officer cost pools, and some other administrative costs—it does address most of the resource-related work that was done to help accomplish or support implementation of the Forest Plan.

Table C-1. Budget Funding Versus Management Costs for Fiscal Year 2008

Program Code	Program Name	$$ Allocated in Budget	Budget $$ Spent	Balance in $$	Percent of Budget $$ Spent	$$ Unable to Spend Due to Fire Transfer
CMFC	Capital Improvement/Maintenance. - Facilities	713,000	670,411	42,589	94%	36,675
CMLG	Legacy Roads and Trails	182,000	141,017	40,983	77%	
CMRD	Capital Improvement/Maintenance. - Roads	3,465,063	3,480,612	-15,549	100%	
CMTL	Capital Improvement/Maintenance. - Trails	513,000	437,192	75,808	85%	77,700
CP09	Facilities Maintenance Cost Pool	245,000	234,740	10,260	96%	15,000
CWK2	K-V Regional Projects	86,000	86,232	-232	100%	
HTAE	Federal Highway Admin. Expense	10,000	9,854	146	99%	
HTAP	Federal Highway Aquatic Passage	19,000	18,197	803	96%	
HTER	Federal Highway Emergency Relief	100,000	94,230	5,770	94%	
HTFB	Federal Highway Scenic Byway	3,000	2,896	104	97%	
LALW	Land Acquisition L&WCF	90,000	89,901	99	100%	
NFIM	Inventory and Monitoring	819,200	798,351	20,849	97%	
NFLM	Landownership Management	344,000	341,010	2,990	99%	
NFMG	Minerals Management	406,000	404,340	1,660	100%	
NFN3	Rehabilitation and Restoration	34,000	35,129	-1,129	103%	
NFPN	Land Management Planning	101,293	101,355	-62	100%	
NFRG	Range Management	76,000	73,381	2,619	97%	
NFRW	Recreation/Heritage/Wilderness	1,448,846	1,387,304	61,542	96%	11,634
NFTM	Forest Products	870,000	853,064	16,936	98%	
NFVW	Vegetation & Watershed Management	577,000	557,347	19,653	97%	
NFWF	Wildlife/Fish Habitat Management	1,009,200	999,664	9,536	99%	
PEP2	Elective Vegetation Treatment	20,000	19,992	8	100%	
RTRT	Reforestation Trust Fund	139,400	141,856	-2,456	102%	
TRTR	10% Roads and Trails Fund	1,000	996	4	100%	
WFHF	Hazardous Fuel Reduction	77,000	75,793	1,207	98%	
WFPR	Pre-suppression and Fuels	421,000	405,648	15,352	96%	
26 BLIs	Monongahela NF Totals	11,770,002	11,460,510	309,492	97%	141,009

Monitoring Question 2. Evaluation, Conclusions, and Recommendations

Overall, the Forest spent 97 percent of its program code budget allocations in FY 2008, but this amount did not include $141,009 that the Forest had to forfeit to help pay for national wildfire expenses during the year. If the Forest had been able to use this $141,009, we would have spent 99% of our program budget allocations. This amount of expenditure indicates that the Forest projected funding was adequate to accomplish most of its program of work related to Forest Plan implementation, and that the Forest stayed within its budget allocated by Congress.

Of the 26 program funding codes above, 22 had spending results that were within 5 percent, plus or minus, of their budget allocation. Only 5 program codes showed spending that exceeded the budget allocation, but no program code had total expenditures that were more than 3 percent above its allocation. For three of the overspent program codes (NFPN, CWK2, and CMRD), the over spending was less than one half of one percent of the overall budget, so that the overall amount spent still calculated out to 100 percent.

The 2 funding codes that spent well below their allocation were CMLG (77%), and CMTL (85%). The shortfall in CMLG (Legacy Roads and Trails) spending was due to the Williams River slide repair project that was underbid by around $41,000. We kept the excess money for much of the summer, thinking that the contractor would need to make cost adjustments, but he was able to complete the project for his original bid price. By the time he completed the project, however, it was too late to use the excess funds on any other similar road projects, so it went back to the Treasury.

The shortfall in CMTL (Trails Capital Improvement and Maintenance) was 15 percent, but represented nearly $76,000. This money was ear-marked for improvements on the West Fork Trail, but the NEPA documentation for this project was not completed before fire transfer took $77,700 in funding. Since that time, the NEPA documentation has been completed, the fire transfer money has been returned, and implementation of the project is set to begin in FY 09.

Recommendations: Continue to monitor costs to meet the NFMA requirement, and to see how efficiently and effectively the Forest is spending its allocated budget to meet the needs of Forest Plan implementation.