

## FY 2004 Budget Highlights

The fiscal year (FY) 2004 President's Budget supports the principles of the President's Healthy Forests Initiative through a combination of funding increases and legislative proposals. Research, State and Private Forestry, Wildland Fire Management, and National Forest System appropriations contain proposals to increase funding. Legislative proposals to streamline analysis, expand contracting tools, protect communities from wildland fire, and expand partnerships are also contained in the budget. The President's Budget contains the budgetary and legislative focus to return a balanced management perspective to the stewardship of America's forests.

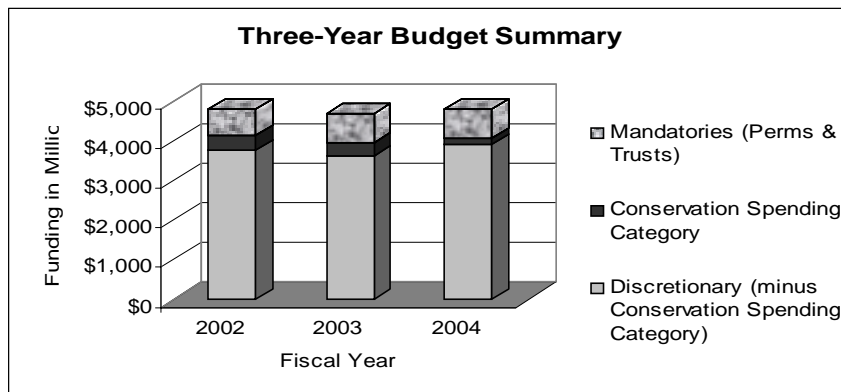
The FY 2004 President's Budget request for the Forest Service totals \$4.8 billion. The FY 2004 request includes a \$96.5 million increase for uncontrollable costs and a \$24.4 million increase for "on-the-ground" activities above the FY 2003 President's Budget.

(Dollars in Millions)

Appropriation Title	FY 2003 Budget	Uncontrollable Costs	Program Changes	FY 2004 Budget
Research	242.8	5.7	3.6	252.2
State and Private Forestry	277.4	4.7	33.7	315.8
National Forest System	1,366.5	31.8	-28.7	1,369.6
Wildland Fire Management	1,369.1	27.8	144.9	1,541.8
Capital Improvement and Maintenance	552.1	11.6	-39.1	524.6
Land Acquisition	131.8	2.1	-88.5	45.4
Other Appropriations	9.0	0.0	-0.4	8.6
<b>Total Discretionary Appropriations</b>	<b>\$3,948.7</b>	<b>\$83.8</b>	<b>\$25.5</b>	<b>\$4,058.0</b>
Total Mandatory Appropriations	750.6	12.8	-1.1	762.3
<b>Grand Total, Forest Service</b>	<b>\$4,699.3</b>	<b>\$96.5</b>	<b>\$24.4</b>	<b>\$4,820.3</b>

Note: Numbers may not add due to rounding.

The following graph provides a three-year summary of discretionary appropriations, the conservation spending category, and mandatory appropriations.



In addition to the budgetary and legislative proposals, in FY 2004 the Forest Service will continue to increase the efficiency and accountability of its management practices through improved financial performance, expansion of electronic government, budget and performance integration, and the other initiatives of the President's Management Agenda.

## Fiscal Year 2004 Focus Items

In FY 2004, the Forest Service will focus on key areas that make tangible contributions towards achieving the goals of the President's Healthy Forest Initiative and the President's Management Agenda. Key areas addressed through this budget and related legislative proposals will support the National Fire Plan, providing benefits to communities, management of invasive species, rangeland management, and implementation of the President's Management Agenda. Program priorities based on the key areas include the suppression of unwanted wildland fires; removal of hazardous fuels; control and eradication of invasive species; purchase of environmental easements; assisting non-Federal landowners to become better stewards of their forested land; and management of grazing allotments.

**Healthy Forest Initiative:** The Healthy Forest Initiative will implement core components of the National Fire Plan's *10-Year Comprehensive Strategy* and *Implementation Plan*. This historic plan, which was adopted this spring by Federal agencies and western governors, in collaboration with county commissioners, State foresters and Tribal officials, calls for more active forest and rangeland management. It establishes a framework for protecting communities and the environment through local collaboration on thinning, planned burns and forest restoration projects.

**National Fire Plan:** The President's Budget places increased emphasis on protection of communities and property from the effects of catastrophic wildfire. The President's Budget supports the *10-Year Comprehensive Strategy*. The Strategy outlines the long-term basis for collaborative proactive management of wildland fire across governmental boundaries. The Strategy supports the removal of overgrown materials from National Forest System lands and from around rural communities; improving the capability of Federal, Tribal, State, and local wildland fire management agencies; economic utilization of hazardous fuel treatment byproducts; fire research; and protection of forest and rangelands from fire related spreads of invasive species. Additionally, the Healthy Forests Initiative provides better tools to accomplish these goals of the Strategy.

The FY 2004 President's Budget contains a program increase of \$144.4 million for the Forest Service's portion of the National Fire Plan. It includes a program increase for wildfire suppression to improve the agency's wildland firefighting capability while minimizing the impact of potential fund transfers, maintains funding for hazardous fuels to protect communities and to restore natural fire regimes to National Forest System lands, and maintains funding for preparedness. The budget also takes the unprecedented step of assessing the performance of the program to measure progress and identify areas for improvement. The total FY 2004 President's Budget request for the National Fire Plan, both Forest Service and DOI, is over \$2.2 billion.

**Benefits to Communities:** The President's Budget contains a \$15.2 million program increase in Forest Stewardship to further support objectives of the President's Healthy Forests Initiative and the National Fire Plan. The increase can strengthen rural communities and agency partnerships through a competitive cost-share program that leverages Federal funds to reduce hazardous fuels in and around rural communities and manage non-Federal forestlands for the prevention of

invasive species. The increase in the Forest Stewardship Program would also increase support to private landowners for the production of small diameter and underutilized forest products.

Additionally, the President's Budget contains a \$19.9 million program increase in Forest Legacy to enhance conservation on environmentally important lands. This would occur through collaborative efforts with the States and other partners to acquire interests in lands from willing sellers. The increase would support partnerships with up to ten additional States that have not previously participated in this program and would result in conservation easements on an additional 50,000 acres. These additional acres would conserve wildlife habitat, water quality, and recreation.

**Invasive Species:** Overall, the FY 2004 President's Budget proposes \$91.0 million to manage invasive species. The Forest and Rangeland Research request provides \$14.5 million to increase development of tools to prevent, detect, control, and monitor invasive species. The amount includes increases of \$2.5 million to address the potentially significant risks to natural resources caused by the Sudden Oak Death pathogen, \$3.6 million for research and development tools essential to prevent, detect, control and monitor other invasive species and restore impacted ecosystems, and \$0.5 million for an emerging pests and pathogens fund. The President's Budget also re-proposes the State and Private Forestry Emerging Pest and Pathogens Fund initially proposed in the FY 2003 budget request. The FY 2004 budget requests \$11.9 million for this program of rapid response to new introductions of invasive insects, and pathogens.

**Grazing Management:** The President's Budget provides a \$6.5 million program increase to better manage livestock on National Forest System rangelands. This emphasis would provide for a 30 percent increase in grazing allotments operating under up-to-date decision notices and grazing management plans. It would enhance the agency's capability to manage livestock and support communities where rangelands are an integral aspect of the economy.

## Accountability

The Forest Service continues agency-wide financial management improvement efforts to demonstrate its ability to effectively and efficiently safeguard and manage public funds and property. Significant progress has been made toward this goal. Through the dedication of resources, the agency has resolved systemic issues, such as the use of a financial management system of records compliant with the Federal Financial Management Improvement Act (FFMIA) and Joint Financial Management Improvement Program (JFMIP) standards. Organizational changes have been made to ensure appropriate agency financial management oversight and monitoring. While significant systems and processes have been implemented, these efforts have also served to highlight a number of critical issues remaining. The Forest Service is committed to resolving outstanding financial management issues while implementing sustainable processes for the future.

Great success was achieved by the Forest Service in early FY 2003 as the agency successfully completed a full audit of its' annual FY 2002 financial statements and subsequently received an unqualified or "Clean" audit opinion on its financial statements. This was the first time the agency completed a full audit of its financial statements. This unqualified opinion, although

important, is only a first step in the Agency's continuing effort to improve accountability. Additional work on business process design, operation, and control is still required to address the reportable conditions and material weaknesses indicated in the report. Sustained improvement is necessary to receive additional unqualified audit opinions that will ultimately enable the Agency's financial management activities to be removed from General Accounting Office's "high risk list."

Additional success in reconciling key agency accounts has positioned the agency for continued financial management improvements. The agency is in its second year of using the Budget Formulation and Execution System (BFES) to improve its financial management (including incident financial management), and is developing a project work planning system (WorkPlan) to better manage its program and increase the accountability of its financial operations. The Forest Service will continue to improve internal controls over its reconciliation and accountability of fund balances, as well as accurate recording of property transactions. In addition, the Forest Service will reengineer agency programs and operations to provide improved management structures that help ensure accountability for results, including appropriate cost-effective controls.

The Forest Service will continue to improve its financial management by building on its recent successes. Through aggressive work and dedication of resources, this positive momentum will continue to produce valuable results like those that resulted in the unqualified audit opinion on the agency's FY 2002 annual financial statements.

## **President's Management Agenda**

The President's Management Agenda contains five government-wide goals to improve Federal management and performance and deliver results that matter to the American people. These goals are:

- Strategic Management of Human Capital;
- Competitive Sourcing;
- Improved Financial Performance;
- Expanded Electronic Government; and
- Budget and Performance Integration.

The USDA Forest Service specifically supports the President's Management Agenda by:

1. Streamlining Forest Service Operations.
  - Aligning the Forest Service workforce to better carry out the agency mission
  - Creating incentives that control costs while enhancing natural resource management
  - Streamlining and automating administrative support processes
  - Increasing internal and external competition for services;
2. Implement Competitive Sourcing for agency commercial activities and performance-based Service Contracting to maintain increases of 10 percent annually through FY 2005;
3. Expanding Electronic Government by simplifying the permit process, expanding on-line procurement, improving public access to information, and participating in the government-wide Presidential Initiative on e-grants for grants and agreements;
4. Integrating performance and budget;

5. Improving Wildland Fire Management, Budgeting, and Accounting; and
6. Achieving a clean audit opinion for FY 2002 and beyond while simplifying agency accounting process.

In June 2002, the Forest Service finalized its strategy, entitled “*Forest Service Strategy for Improving Organizational Efficiency, 2003-2007*.” Twenty-one implementation plans covering various aspects of the strategy have been developed and full implementation of this strategy will be underway in FY 2004.

### 1. Streamlining Forest Service Operations

The Forest Service continues to explore and implement ways in which to streamline operations in order to cut costs, reduce bureaucracy and improve customer service. Several efforts are planned or ongoing, including efforts to reduce indirect costs to as little as 10 percent of the budget, monitoring fixed-to-variable cost ratios, consolidating offices, and better examining the role and structure of each organizational level in order to eliminate duplication and streamline processes.

**Strategic Management of Human Capital** – In order to achieve the goals in the OPM/OMB/GAO “*Human Capital Assessment and Accountability Framework*” the Forest Service will make significant investments in five key areas: 1) Workforce Planning Systems/Recruitment Strategies; 2) Corporate Training Strategies; 3) Succession Planning; 4) Knowledge Management; 5) Performance Management.

The Forest Service Workforce Planning System is: consistent with agency mission, goals, and objectives; integrated into the Forest Service budget and Strategic Plan; based on a 5-year workforce analysis that identified skill gaps, competencies, and attrition; and contains guidance to ensure succession based on attrition. The workforce plan addresses the following items:

- Identifying and addressing mission-critical skill gaps
- Balancing the age-distribution of the workforce to ensure an adequate “pipe-line” of highly skilled employees;
- Ensuring a workforce that reflects the diversity of the American public that we serve;
- Ensuring accountability; and
- Redirecting resources to direct service delivery positions.

The specific actions with performance levels that the agency proposes to carry out in FY 2003 and FY 2004 are as follows:

- **Reducing size of organization layers/ reducing time to make decisions/ greater decision-making authority to field managers:** The agency is taking actions to re-align its workforce to better carry out the agency mission. Specifically, this focuses on headquarters operations. Currently the Washington Office has approximately 2,050 employees including detached units. Washington Office funding ceilings were reduced 5 percent in FY 2003, and will be reduced another 5 percent in FY 2004.

- A comprehensive study of all Washington Office detached units is underway which will result in realignment, competitive sourcing analysis, potential reductions, and/or a more corporate basis for making decisions about a unit's products and services.
- The Forest Service is developing clear role definitions for each organizational level in order to eliminate duplication and better align the workforce. Consistent with this effort is a detailed review of the role of the Washington Office and an examination of agency-wide financial management operations, based on the need ensure competent financial management in the emerging e-government environment. The role analysis and action plan will be finalized in FY 2003.

## 2. Competitive Sourcing

The President's Competitive Sourcing Initiative is a tool for achieving improved efficiency and performance through the introduction of public/private competition for functions currently performed by the government. Experience in other agencies have shown that significant cost savings and performance gains can result through these competitions, regardless of whether the function is competitively sourced or a government reengineered "Most Efficient Organization" is established.

In early FY 2003, USDA established a Field Leadership Decisions Initiative that included a commitment to increase annual competitive sourcing of commercial activities by 10 percent annually through FY 2005. To meet this commitment and Administration goals for competitive sourcing, the agency will conduct public/private competitions on approximately 3,000 FTE's during FY 2003, and on similar numbers in FY 2004, with a total of 11,000 positions being competed by the end of FY 2005. The FY 2003 competitions will rely heavily on using the streamline process at the local level. Starting in FY 2004, the Forest Service will shift into using primarily the full-cost comparison process that costs more initially, but produces a higher level of cost-savings in the end. Identification of the FY 2004 functions to be competed is underway. Expected areas of competition are Human Resources, Information Technology and some elements of Wildland Fire Management.

In order to accomplish these efforts, the agency plans to staff a program leadership office at Headquarters (3 FTEs) and establish a field service center (5 FTEs). In addition, the agency plans to award several Office of Management and Budget (OMB) A-76 support contracts. Significant travel costs are anticipated due to the agency's wide geographic distribution. Implementation plans, communication plans, and guidance have been developed and deployed. Significant training efforts have been completed and additional training will be needed.

The commitment by the Forest Service is to use competitive sourcing along with its already successful use of contracts, concessions, permits, grants and agreements to improve efficiency and flexibility. The Forest Service is making great strides in increasing the use of performance-based contracting. The agency expects to utilize performance-based contracting on 30 percent of all contracts in FY 2003 and 40 percent in FY 2004.

### 3. Expanding Electronic Government

At its most basic level, the Forest Service electronic government initiative will use digital technologies to transform government operations in order to improve effectiveness, efficiency and service delivery.

The Forest Service has a plan that integrates the President's e-Gov initiatives and USDA's "Smart Choice" e-Gov initiatives with agency priorities described in the "***Forest Service e-Government Strategy and Roadmap***." In FY 2003, the agency will focus on three foundation projects: 1) Web Information Delivery, 2) Government Paperwork Elimination Act (GPEA) Compliance, and 3) e-Gov project management organization. Each of these will require continued effort and funds in FY 2004. In addition, agency prioritization analysis indicates that four additional e-Gov projects should be started in FY 2004, specifically: 1) Incident Planning and Management, 2) Recreation Services and Information, 3) Electronic NEPA/NFMA Planning Record, and 4) Simplifying the Federal and non-Federal Assistance Process. These e-Gov projects will follow a three-step process: 1) Business Case Development, 2) Proof-of-Concept Testing; 3) Scale-Up to full implementation. Funding will be needed for the first two steps in this process for the four FY 2004 priority projects, as well as continuing with steps 2 and 3 for Web Information Delivery. Funding will also be required to sustain and mature the electronic exchange of information with the public begun in the FY 2002 GPEA compliance efforts.

### 4. Integrating Performance and Budget

The Forest Service is developing a budget and performance planning process that will result in budget formulation and funding allocations to programs that integrate the agency mission with long-term performance goals and the strategic plan. A Performance Accountability System plan was developed in FY 2002 and has been approved for implementation during FY 2003. The Chief of the Forest Service has directed the agency to develop a results-oriented annual performance management plan for FY 2005, which is currently under development. A comprehensive set of national management objectives and associated performance measures with connected data sources have been identified. These have been linked to a set of national work activities for use in the FY 2005 budget formulation process. The purpose is to deliver integrated financial management, budget development, and program accountability at all levels of the organization.

The strategic plan identifies national goals and multiple policy objectives. National programmatic "management strategies" contribute to a given policy objective. The combination of annually developed management strategies is the basis for the Forest Service annual Performance Management Plan. This annual plan sets measurable goals or accomplishment targets and provides the basis for budget formulation driven by performance requirements.

The Performance Accountability System represents a process that will link many existing systems, including formulation, accounting, work planning, and accomplishment reporting. The process will allow individual programs and field units to establish out-year programs of work based on local or programmatic objectives and needs linked to national objectives. Underlying these national systems are tools that provide assessments of agency operations in order to

understand the social, economic, and ecological conditions that define where the agency stands in achieving its mission and to establish policies to achieve further progress. The Forest Service will support the USDA budget and performance integration effort to help move the Department to a “green” status through pilot testing the budget and performance integration plan, with the objective a FY 2005 budget submittal as per the budget and performance integration plan.

#### 5. Improving Wildland Fire Management, Budgeting, and Accounting

In response to the President’s Management Plan, the Forest Service and Department of the Interior are working collaboratively to develop a joint fire preparedness performance-based model to review fire suppression activities and conduct an audit of the Fire Suppression Program, and ensure properly targeted hazardous fuels funds. Additionally, the Forest Service is developing an automated system that provides real-time fund obligation information. The following is an update on the progress of these initiatives:

**Joint Fire Preparedness Performance-Based Modeling:** The Forest Service, Department of the Interior, and the National Association of State Foresters are working together to develop a new fire preparedness-planning model. The agencies and the Administration have agreed on the desired attributes of this new system. Staff organization, technical approvals, and preliminary design are ongoing.

**Coordinating Budget and Performance Information:** There is an immediate need to meet an expectation of the Administration that both Agencies have similarly structured wildland fire budgets, including appropriate language and performance measures. The Departments have met with the Administration and agreed upon new performance measures. Baseline information is being collected and the measures will be instituted in FY 2004.

**Developing a Fire Planning System:** This is a long-term effort to design and develop a new inter-agency fire planning system that takes advantage of new science and technology and provides a more comprehensive look at the fire management program and the decisions necessary to maximize public safety, program effectiveness, firefighting efficiency, and ecosystem protection. This new planning system will address the Administration’s concerns related to science and research based modeling, performance measures, and the use of one system by all wildland fire management agencies. As stated above, release of the first part of the new system will take place in October 2004.

**Reviewing Fire Suppression Costs and Strategies:** The Forest Service has received a commissioned report from the National Academy of Public Administration entitled, *Wildfire Suppression: Strategies for Containing Costs*. The Secretaries of Agriculture and the Interior and 17 western Governors have signed a 10-Year Comprehensive Strategy designed to improve fire prevention and suppression, reduce hazardous fuels, restore fire-adapted ecosystems, and promote community assistance. These reports and others will provide the strategic direction that will allow the Federal firefighting agencies to improve firefighter and public safety, protect communities and the environment, and reduce overall program costs.



**Ensuring that Hazardous Fuels Funds are Appropriately Targeted:** In order to ensure that hazardous fuel funding is properly targeted to have the greatest immediate impact on community protection with priority given to at-risk communities, the Forest Service has done and plans to do the following:

- **FY 2003** - The Forest Service and the Department of Interior will be using the project proposal database and the final set of national, regional, and local funding criteria merged with field-based requests to select projects. The foundation for hazardous fuels project selection is a memorandum of understanding between Federal agencies, State Foresters, and counties. This agreement will support implementation of a hazardous fuels reduction program that restores the health of forests and rangelands and protects communities. Community risk, the ability to create cooperative partnerships with a selected project, threats to human life and property, watershed protection, and treatments that complement other projects are some of the priorities that will be emphasized. The Forest Service will fully implement the President's Healthy Forests Initiative and the Ten-Year Comprehensive Strategy. The Forest Service will coordinate with the Department of the Interior to complete the Cohesive Strategy for hazardous fuel treatment. The Forest Service will treat an estimated 1.6 million acres of hazardous fuel to protect communities and reduce flammability of forests, woodlands, shrublands, and grasslands. Approximately 890,000 of those acres will be in wildland-urban interface areas and approximately 720,000 acres will be treated in the non-wildland-urban interface. Treatment areas will include wildland-urban interface areas where NFS lands are intermingled with other Federal, State, private, or Tribal lands, short-interval fire-dependent ecosystems, areas within or adjacent to wilderness, and areas where treatment could reduce long-range fire suppression costs. The Departments of Agriculture and the Interior will fully implement performance measures that reflect the level of risk reduced by treatments. Included are regional workshops and activities at the local level. The Forest Service will work with State cooperators and continue a program to reduce fire hazards on adjacent non-Federal lands and protect communities when hazard reduction activities are planned on adjacent National Forest System lands. Prior to hazardous fuel treatments on Federal lands, the Forest Service will work with communities to pre-treat adjacent non-Federal lands to decrease the chance the hazard reduction activity might threaten the community or private lands.
- **FY 2004** - Emphasize treatment in the wildland-urban interface through collaborative efforts contained in the 10-Year Comprehensive Strategy. Treat a total of approximately 1,368,000 acres of hazardous fuel to reduce flammability of forests, shrublands, and grasslands with emphasis on the wildland-urban interface. An estimated 652,000 non wildland-urban area acres and 716,000 wildland-urban acres are to be treated. The priorities outlined in the President's Healthy Forests Initiative and the 10-Year Comprehensive Strategy will be used to guide the overall program. Coordination with Tribal governments and other Federal, State, and local agencies will focus treatment on high priority communities at risk. On Federal lands, emphasis will be given to short-interval fire adapted ecosystems to protect communities and natural resource values.

**Providing Real-Time Obligation Information:** The USDA Forest Service, in partnership with the National Wildfire Coordination Group (NWCG), is engaged in a wide-ranging effort to

improve incident business management and accounting operations. In concert with this long-term effort to seamlessly integrate business management operations with the automated infrastructure of participating agencies, the Forest Service intends to independently implement short-term actions for the FY 2003 fire season to accomplish three objectives: 1) Provide an automated “proof of concept” for longer term accounting reforms; 2) Demonstrate a process and commitment to improved speed and quality of obligations incurred at wildfire incidents; and 3) Establish additional procedures that will increase the quality and speed of obligation reporting ultimately leading to real time reporting of all incident obligations.

The goal of the Incident Accounting Improvement Project is to have seamless information technology products and financial services that increase financial operations efficiency, provide information that can help reduce costs associated with incidents, and provide real time accounting information to those that manage the program, including external agencies that rely on the information and customers who need it.

To accomplish this, the Forest Service and the NWCG will, over the next several years:

- Expand the use of telecommunications technologies to ensure that large fire incidents no longer operate on isolated platforms and are able to connect to the agency’s accounting system in a manner that allows fast movement of information.
- Integrate incident information systems with the corporate accounting system to eliminate manual processes that are redundant and create reporting delays and inaccuracies.
- Make certain payments are efficiently processed in a centralized manner to increase standardization, ensure skills are available, and reduce transaction process time.

During the FY 2003 fire season, the Forest Service will implement a demonstration project with the following specific objectives:

- Identify the business requirements (processes, skills, and technology) needed to enter national contract and emergency equipment procurement financial information directly into the accounting system.
- Design and build a feeder system that requires minimal or no change to the current one, or to existing fire accounting software; test the system in the National Incident Coordination Center for national contracts and on a number of large fires throughout the year for emergency equipment.
- Evaluate the results of the tests including recommendations on how to expand the system to include all fires and other types of incident financial information.
- Apply a federally-compliant definition of emergency obligations in designing incident financial management reporting procedures.
- Develop a portable “front-end” system for use on laptop equipment that will support entry of a “summary” obligation into the accounting system and develop a subsidiary ledger for detailed information to support the summary obligation entered into the accounting system. This detailed information must be readily available on agency servers.

## 6. Achieving Clean Audit Opinions While Simplifying Agency Accounting

The agency achieved an unqualified audit opinion in FY 2002. Although it is an important first step in improved financial performance, the agency must continue to maintain this level of performance in future years.

- *Improved financial management:* The Forest Service received an unqualified (“clean”) audit opinion for FY 2002. This accomplishment, while significant, is only a first step in continued path to quality financial management. The agency is committed to maintaining a clean audit opinion for FY 2003 and beyond. A cornerstone of improved financial and performance accounting is a commitment to account for funds and report information using only essential work activities. In FY 2002 the Agency accounted for over 100 specific work activities in the Department’s accounting system. This number of activities and other agency processes resulted in generation of 65 percent of the Department’s total transactions. A reduction in the number of work activities is considered critical to being able to track and account for funds and accomplishments. The Forest Service will expand efforts to reduce the cost of its financial accounting structure in FY 2004.
  - In FY 2003, the agency has eliminated accounting by work activities in the accounting system. In place of accounting by work activities, the agency will implement a new national work planning system, effective April 2003. This system will be an integral aspect of the agency’s performance accountability process that will improve budget and performance integration.
  - The agency has significantly changed its processes for indirect cost accounting, resulting in approximately 140 million fewer system transactions than in FY 2001.

## **Forest Service Mission, Goals and Objectives**

The following section provides general information related to the agency vision, mission, goals and objectives, as well as the organizational structure of the Forest Service.

### **Vision: Caring for the Land and Serving People**

The phrase, "Caring for the Land and Serving People," captures the Forest Service vision for serving the American people by providing quality land management under the sustainable multiple-use management concept.

Mission: “To sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations.”

This mission includes:

- Advocating a sustainable land management ethic in promoting the health, productivity, diversity, and beauty of forests and associated lands;
- Providing a variety of products to meet the needs of the Nation, including wood, forage, water, and energy;
- Listening to people and responding to their diverse needs in making natural resource management decisions;

- Managing and protecting National Forests and Grasslands so they best demonstrate the sustainable multiple-use management concept;
- Providing technical and financial assistance to State and private forest landowners, encouraging them to practice good stewardship and quality land management in meeting their specific objectives;
- Providing technical and financial assistance to cities and communities to improve their natural environment by protecting and enhancing “green spaces” and caring for their forests;
- Providing international technical assistance and scientific exchanges to sustain and enhance global resources and to encourage quality land management;
- Helping States and communities to wisely use forests to promote rural economic development and a high quality rural environment;
- Developing and providing scientific and technical knowledge aimed at improving our capability to protect, manage, and use forests and rangelands; and
- Providing work, training, and education to the unemployed, underemployed, elderly, youth, and disadvantaged in pursuit of our mission.

## **Goals and Objectives**

In compliance with the Government Performance and Results Act of 1993, the Forest Service is committed to integrating the development of its budget with the Forest Service Strategic Plan. It is important to understand the goals and objectives of the Strategic Plan when evaluating the funding and legislative proposals in the budget. The following summarizes the four major goals of the agency that will facilitate the accomplishment of our mission.

### ***Goal -- Ecosystem Health***

Promote ecosystem health and conservation using a collaborative approach to sustain the Nation’s forests, grasslands, and watersheds.

#### ***Objectives***

- Improve and protect watershed conditions to provide the water quality and quantity and the soil productivity necessary to support ecological functions and intended beneficial water uses.
- Provide ecological conditions to sustain viable populations of native and desired non-native species and to achieve objectives for wildlife management indicator species (MIS). These species reflect the effects of changes to a habitat type for other species that live in or use the same habitat. By monitoring MIS, the anticipated effect of changes on threatened and endangered species can be readily determined.
- Increase the amount of forests and grasslands restored to or maintained in a healthy condition with reduced risk and damage from fires, insects, diseases, and invasive species.

### ***Goal -- Multiple Benefits To People***

Provide a variety of uses, values, products, and services for present and future generations by managing within the capability of sustainable ecosystems.

***Objectives***

- Improve the capability of the Nation's forests and grasslands to provide desired sustainable levels of uses, values, products, and services.
- Improve the capability of the Nation's forests and grasslands to provide diverse, high-quality outdoor recreation opportunities.
- Improve the capability of wilderness and protected areas to sustain a desired range of benefits and values.
- Increase accessibility to a diversity of people and members of under-served and low-income populations to the full range of uses, values, products, and services.
- Improve delivery of services to urban communities.

***Goal -- Scientific and Technical Assistance***

Develop and use the best scientific information available to deliver technical and community assistance and to support ecological, economic, and social sustainability.

***Objectives***

- Better assist in building the capacity of Tribal governments, rural communities, and private landowners to adapt to economic, environmental, and social change related to natural resources.
- Increase the effectiveness of scientific, developmental, and technical information delivered to domestic and international interests.
- Improve the knowledge base provided through research, inventory, and monitoring to enhance scientific understanding of ecosystems, including human uses, to support decision-making and sustainable management of the Nation's forests and grasslands.
- Broaden the participation of less traditional research groups in research and technical assistance programs.

***Goal -- Effective Public Service***

Ensure the acquisition and use of an appropriate corporate infrastructure to enable the efficient delivery of a variety of uses.

***Objectives***

- Improve financial management to achieve fiscal accountability.
- Improve the safety and economy of USDA Forest Service roads, trails, facilities, and operations and provide greater security for the public and employees.
- Improve and integrate informational systems, data structures, and information management processes to support cost-efficient program delivery.
- Improve the skills, diversity, and productivity of the workforce.
- Ensure equal opportunity in employment practices.

- Provide appropriate access to National Forest System lands and ensure nondiscrimination in the delivery of all USDA Forest Service programs.

The Forest Service is engaged in performance budgeting for FY 2004. The agency focus emphasizes those results that our constituents expect for their investment. The Forest Service will continue to improve the alignment of financial, human capital, and technological resources with the mission of sustaining the Nation's forests and grasslands for the benefit of current and future generations.

## Forest Service Organization

The Chief of the Forest Services oversees the entire agency. The Chief is a career Federal employee who reports to the Under Secretary for Natural Resources and Environment in the U.S. Department of Agriculture (USDA). The Chief's staff provides broad policy and direction for the agency, works with the Administration to develop a budget to submit to Congress, provides information to Congress on accomplishments, and monitors activities of the agency. There are six deputy chiefs for the following areas: National Forest System, State and Private Forestry, Research and Development, Business Operations, Office of Finance, and Programs and Legislation.

The Forest Service organization includes: Ranger Districts, National Forests, Regions, Research Stations and Research Work Units, and the Northeastern Area Office for State and Private Forestry. Each level has responsibility for a variety of functions.

**Ranger District:** There are more than 600 ranger districts. Each district has a staff of 10 to 100 people under the direction of a district ranger, a line officer who reports to a forest supervisor. The districts vary in size from 50,000 acres to more than 1 million acres. Most on-the-ground activities occur on ranger districts, including trail construction and maintenance, operation of campgrounds, and management of vegetation and wildlife habitat.

**National Forest:** There are 155 national forests and 20 grasslands. Each administrative unit is typically comprised of several ranger districts, under the overall direction of a forest supervisor. Within the supervisor's office, the staff coordinates activities among districts, allocates the budget, and provides technical support to each district. Forest supervisors are line officers and report to regional foresters.

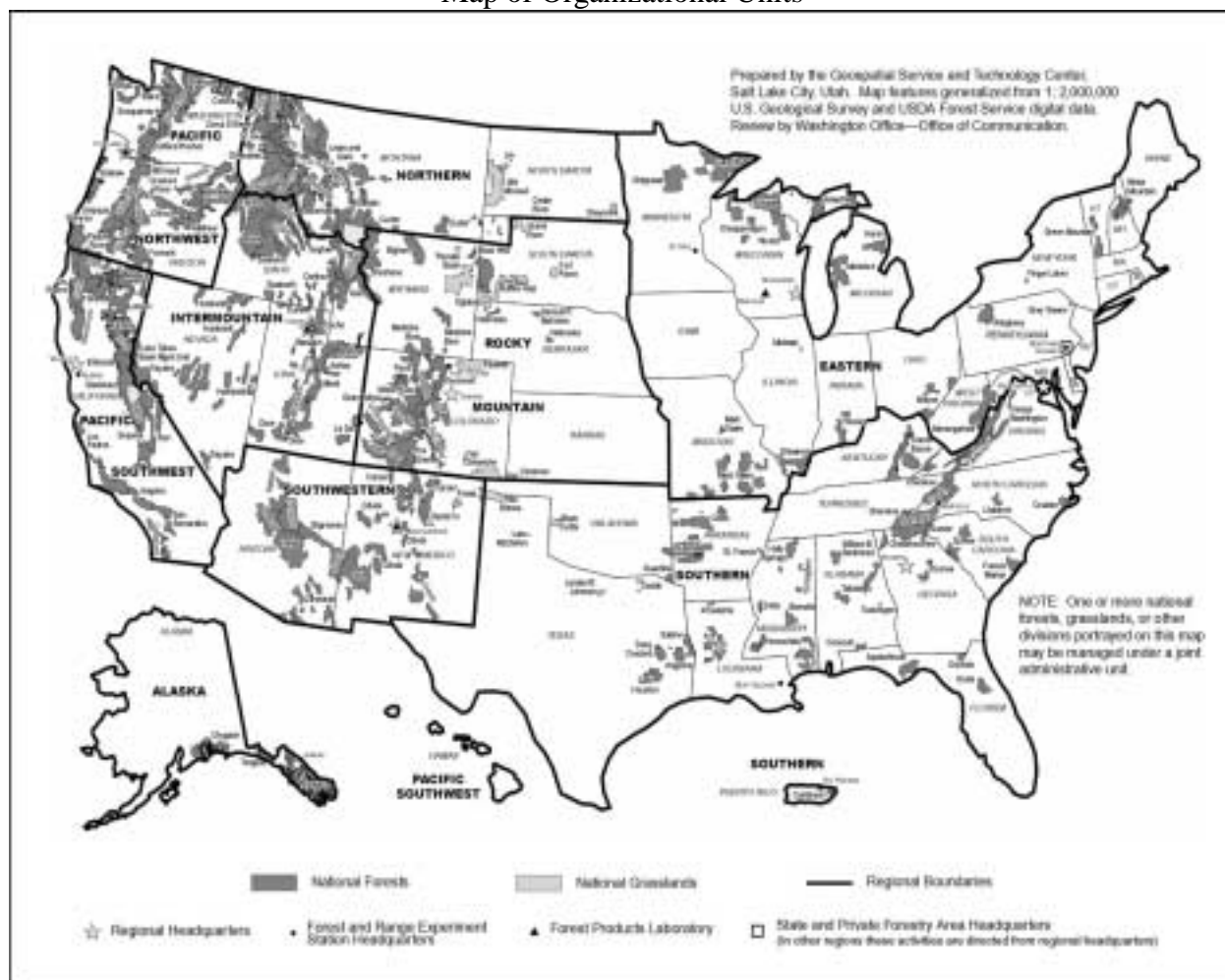
**Region:** There are nine regions, each encompassing a broad geographic area, usually several States. The regional forester has broad responsibility for coordinating activities among the various forests within the region, for providing overall leadership for regional natural resource and social programs, and for coordinated regional land use planning.

**Research Stations and Research Work Units:** There are six research stations, the Forest Products Laboratory, and the International Institute of Tropical Forestry. Station directors, like regional foresters, report to the Chief. Research stations include: North Central; Northeastern; Pacific Northwest; Pacific Southwest; Rocky Mountain; and Southern. There are 133 research work units located at 65 sites throughout the United States.

The map below provides the locations of the national forests and grasslands. For more information about the Forest Service, visit our web site at <http://www.fs.fed.us>

## USDA Forest Service

### Map of Organizational Units



## Legislative Proposals

The FY 2004 President's Budget contains several legislative proposals that significantly advance common sense forest health efforts of the President's Healthy Forest Initiative to prevent the damage caused by catastrophic wildfires and move past "process gridlock" to improve the efficiency of agency land management.

**Hazardous Fuels:** The Administration will propose legislation that authorizes emergency fuels reduction projects in priority areas of Federal forests outside of wilderness areas. This would allow for timely treatment of forests at risk of catastrophic fire posing the greatest risk to people, communities, and the environment. First priority would be given to wildland-urban interface areas, municipal watersheds, and areas affected by disease, insect activity, wind throw, and susceptibility to catastrophic reburn. Projects would be selected through collaborative processes consistent with the *10-year Comprehensive Strategy and Implementation Plan*.

**Stewardship End Results Contracting:** Legislation will be proposed to expand or clarify the agency's authorities to work more efficiently and effectively with non-Federal entities. The complex patchwork of authorities and agreements associated with national forest management and timber of nominal commercial value has provided significant disincentives for private entities to engage in forest health restoration work. P.L. 106-291, the FY 2001 Interior and Related Agencies Appropriations, authorizes the USDA Forest Service to enter into 56 stewardship end result contracts. These contracts allow private parties to perform forest health work in exchange for forest products. The authority, expanded in the House version of the recent 2002 Farm Bill but dropped in conference, is slated to expire on September 30, 2004.

**Partnership Authorities:** To improve the agency's ability to work with a wide variety of partners and optimize the use of limited Federal funds, legislation will be proposed to expand or clarify the agency's authorities to work more efficiently and effectively with non-Federal entities. There are over 30 different laws relating to partnerships cited in Forest Service directives, and 14 different types of agreement instruments are used to document partnership relationships. Navigating this complex patchwork of authorities and agreements has hindered the agency's ability to work efficiently and effectively with nonprofit and community partners. Future agency budgets cannot be expected to significantly increase, although demands for agency programs, forest and rangeland related research, and use of the national forests and national grasslands are predicted to grow. Legislation would help to clarify Congress' intent, broaden the types of partnerships, complete projects amid budget constraints, and clarify the partnership role of the agency and its employees. Implementing programs and projects in partnership will be one way of meeting these increasing demands while releasing appropriated dollars for other priorities.

**Repeal Appeals Reform Act:** This proposed legislation would repeal Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (commonly known as the "Appeals Reform Act," 16 U.S.C. 1612 note) that imposed procedural requirements on the Forest Service that are not required of any other Federal agency.



**Standards of Judicial Review:** To ensure that courts consider the public interest in avoiding irreparable harm to ecosystems and that the public interest in avoiding the short-term effects of such action is outweighed by the public interest in avoiding long-term harm to such ecosystems, the Administration will propose legislation to establish revised rules for courts in decisions that relate to activities necessary to restore fire-adapted forest and rangeland ecosystems.

**Permanent Authority for Recreation Fee Demonstration Program:** Proposed legislation would make permanent the current demonstration program and would authorize the Forest Service to retain and use recreation fees collected under the program.

**Transfer Titles Acquired through Forest Legacy:** To provide for consistent and rational ownership of lands previously acquired by the Forest Service through the Forest Legacy Program, legislation will be proposed to authorize properties originally acquired by the Forest Service in the name of the United States prior to the establishment of the State grant option to be more efficiently and effectively managed with title vested in the States.

**Watershed Restoration and Enhancement Agreements:** This proposal promotes the efficient and effective work associated with watershed restoration and enhancement as well as reducing fire hazards across multiple ownerships.

**Facilities Acquisition and Enhancement Fund:** In an attempt to improve efficiency and make the most economical use of limited funds, legislation will be proposed to authorize the Secretary to dispose of certain National Forest System lands and improvements and permit the use of proceeds for acquiring or developing land and for improvements for administrative purposes.

**Pacific Islands: Restore Eligibility of the Three Entities in “Compacts of Free Association” for State and Private Forestry Programs:** This proposed legislation would clarify Pacific Islands participation in State and Private Forestry (S&PF) programs. The proposal would authorize continued assistance.

**Eliminate Requirements of the Forest and Rangeland Renewable Resources Planning Act that Duplicate the Government Performance and Results Act:** A proposal to repeal selected parts of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) would eliminate provisions that are duplicative of the Government Performance and Results Act of 1993 (GPRA). The proposal would bring older legislative authorities into accord with more recent enactments, while retaining reporting requirements and assessments.

**Streamlined Management of Proclaimed Forests and Other Management Areas within Administrative Units:** The proposed legislation would streamline management of proclaimed forests and other management areas within administrative units in order to reduce accounting transactions, improve productivity of financial staff, and support the Presidential Management Agenda by reducing indirect costs. Where several proclaimed forests have been combined into a single administrative unit, they would be financially managed by the same staff. However, some accounts must, by law, be tracked according to proclaimed forest while others are tracked according to administrative unit. This proposal seeks to streamline the accounting system by recording all transactions at the administrative unit level.

## **Summary**

The FY 2004 President's budget request of \$4.8 billion for the Forest Service includes uncontrollable costs of \$96.4 million and program increases totaling \$24.4 million above the FY 2003 President's Budget.

In FY 2004, the Forest Service will focus on programs that make tangible contributions toward achieving healthy forests. Improving the health of America's forests will take place through the removal of excess materials from National Forest System land; prevention, and suppression of invasive species on Federal and private lands; assisting States and private landowners maintain healthy forests by encouraging stewardship and maintaining the integrity of environmentally sensitive lands; and by increasing the number of grazing allotments operating under up-to-date decision notices. To ensure that the public gets the most value for their tax dollars, the Forest Service would provide more funding at the field level and continue to improve its accountability.

Presidential Management Initiatives provide national guidance, and Forest Service Initiatives would continue to explore and implement ways in which to streamline operations in order to cut costs, reduce bureaucracy and improve customer service. Financial initiatives will focus on reducing indirect costs and streamlining accounting practices to reduce expenditures. Competitive sourcing of commercial activities would continue to increase. Expanding electronic government would use digital technologies to transform government operations.

Finally, several legislative proposals of the Administration would include authorizing emergency fuels reduction projects in priority areas of Federal forests outside of wilderness areas, expanding or clarifying the agency's authorities to work more efficiently and effectively with non-Federal entities, and improving the agency's ability to work with a wide variety of partners and optimizing the use of limited Federal funds.

**Three-Summary of Appropriations  
(\$ in Thousands)**

	<b><u>FY 2002 Enacted to Date</u></b>	<b><u>FY 2003 President's Budget</u></b>	<b><u>FY 2004 President's Budget</u></b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>			
Forest and Rangeland Research	\$241,304	\$242,798	\$252,170
State and Private Forestry	\$291,221	\$277,363	\$315,823
National Forest System	\$1,331,439	\$1,366,475	\$1,369,573
Wildland Fire Management	\$1,560,349	\$1,369,138	\$1,541,775
Capital Improvement and Maintenance	\$546,188	\$552,088	\$524,571
Land Acquisition--Land and Water Conservation Fund	\$151,045	\$131,813	\$45,433
Other Appropriations	\$8,870	\$9,036	\$8,627
	~~~~~	~~~~~	~~~~~
Total--Discretionary Appropriations	\$4,130,416	\$3,948,711	\$4,057,972
<b><u>MANDATORY APPROPRIATIONS</u></b>			
Permanent Appropriations--Working Funds	\$150,855	\$169,525	\$180,525
Permanent Appropriations--Payment Funds	\$395,449	\$392,102	\$392,762
Forest Service Trust Funds	\$118,222	\$189,000	\$189,000
	~~~~~	~~~~~	~~~~~
Total--Mandatory Appropriations	\$664,526	\$750,627	\$762,287
	~~~~~	~~~~~	~~~~~
<b>Forest Service Grand Total</b>	<b>\$4,794,942</b>	<b>\$4,699,338</b>	<b>\$4,820,259</b>

**Three-Year Summary of Appropriations  
Program Level  
(\$ in Thousands)**

<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>FY 2002 Enacted</u></b>	<b><u>FY 2003 President's Budget</u></b>	<b><u>FY 2004 President's Budget</u></b>	<b><u>Change from FY 2003</u></b>
<b>Forest and Rangeland Research</b>	\$241,304	\$242,798	\$252,170	\$9,372
<b>State and Private Forestry</b>				
Forest Health Management				
Federal Lands	\$43,304	\$44,374	\$44,963	\$589
Cooperative Lands	\$25,000	\$25,038	\$25,088	\$50
Emerging Pest and Pathogens Fund	0	\$11,968	\$11,968	0
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Forest Health Management	\$68,304	\$81,380	\$82,019	\$639
Cooperative Fire Protection				
State Fire Assistance	\$25,310	\$25,353	\$25,385	\$32
Volunteer Fire Assistance	\$5,053	\$5,040	\$5,043	\$3
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Cooperative Fire Protection	\$30,363	\$30,393	\$30,428	\$35
Cooperative Forestry				
Forest Stewardship	\$33,171	\$49,526	\$65,609	\$16,083
Stewardship Incentives Program	\$3,000	0	0	0
Forest Legacy Program	\$65,000	\$69,797	\$90,809	\$21,012
Urban and Community Forestry	\$36,000	\$36,235	\$37,893	\$1,658
Economic Action Programs	\$35,680	0	0	0
Pacific Northwest Assistance Programs	\$9,425	0	0	0
Forest Resources Information and Analysis	\$5,015	\$4,996	\$4,006	-\$990
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Cooperative Forestry	\$187,291	\$160,554	\$198,317	\$37,763
International Forestry	\$5,263	\$5,036	\$5,059	\$23
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--State and Private Forestry</b>	<b>\$291,221</b>	<b>\$277,363</b>	<b>\$315,823</b>	<b>\$38,460</b>
<b>National Forest System</b>				
Land Management Planning	\$70,358	\$72,195	\$70,868	-\$1,327
Inventory and Monitoring	\$173,316	\$176,306	\$177,796	\$1,490
Recreation, Heritage, and Wilderness	\$245,500	\$252,444	\$254,941	\$2,497
Wildlife and Fisheries Habitat Management	\$131,847	\$133,506	\$134,794	\$1,288
Grazing Management	\$34,775	\$35,850	\$43,180	\$7,330
Forest Products	\$266,340	\$264,753	\$268,019	\$3,266

**Three-Year Summary of Appropriations**  
**Program Level**  
(\$ in Thousands)

	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change</b>
	<b>Enacted</b>	<b>President's</b>	<b>President's</b>	<b>from</b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>Enacted</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>FY 2003</u></b>
Vegetation and Watershed Management	\$190,113	\$190,644	\$192,606	\$1,962
Minerals and Geology Management	\$48,956	\$53,635	\$54,065	\$430
Landownership Management	\$88,434	\$91,016	\$91,692	\$676
Law Enforcement Operations	\$79,000	\$80,142	\$80,628	\$486
Valles Caldera National Preserve	\$2,800	\$984	\$984	0
Expedited Consultations	0	\$15,000	0	-\$15,000
Repayment of Judgement Fund	{0}	{0}	{188,405}	{188,405}
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--National Forest System</b>	<b>\$1,331,439</b>	<b>\$1,366,475</b>	<b>\$1,369,573</b>	<b>\$3,098</b>
<b>Wildland Fire Management</b>				
Preparedness	\$622,618	\$600,703	\$609,747	\$9,044
Fire Operations	\$255,321	\$420,699	\$604,580	\$183,881
Liquidation of Obligations	{274,147}	{0}	{0}	{0}
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--Regular Wildland Fire Management</b>	<b>\$877,939</b>	<b>\$1,021,402</b>	<b>\$1,214,327</b>	<b>\$192,925</b>
<b>Other Operations</b>				
Hazardous Fuels	\$209,010	\$228,109	\$231,392	\$3,283
Fire Facilities	\$10,376	0	0	0
Rehabilitation and Restoration	\$3,668	\$3,624	0	-\$3,624
Fire Research and Development	\$22,265	\$21,427	\$21,427	0
Joint Fire Sciences Program	\$8,000	\$8,000	\$8,000	0
<b>State and Private Forestry</b>				
Forest Health Management--Federal Lands	\$6,982	\$6,955	\$6,955	0
Forest Health Management--Cooperative Lands	\$4,992	\$4,979	\$4,979	0
Economic Action Programs	\$12,472	0	0	0
State Fire Assistance	\$50,383	\$46,455	\$46,455	0
Volunteer Fire Assistance	\$8,262	\$8,240	\$8,240	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--State and Private Forestry</b>	<b>\$83,091</b>	<b>\$66,629</b>	<b>\$66,629</b>	<b>0</b>
<b>Fire Plain Easements</b>	<b>0</b>	<b>\$19,947</b>	<b>0</b>	<b>-\$19,947</b>
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--Other Operations</b>	<b>\$336,410</b>	<b>\$347,736</b>	<b>\$327,448</b>	<b>-\$20,288</b>

**Three-Year Summary of Appropriations**  
**Program Level**  
(\$ in Thousands)

	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change</b>
	<b>Enacted</b>	<b>President's</b>	<b>President's</b>	<b>from</b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>FY 2003</u></b>
Emergency Suppression	\$266,000	0	0	0
Emergency Other Operations	\$80,000	0	0	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Wildland Fire Management</b>	<b>\$1,560,349</b>	<b>\$1,369,138</b>	<b>\$1,541,775</b>	<b>\$172,637</b>
<b>Capital Improvement and Maintenance</b>				
Facilities	\$185,447	\$200,500	\$200,876	\$376
Roads	\$229,666	\$231,893	\$245,358	\$13,465
Trails	\$70,075	\$68,829	\$78,337	\$9,508
Deferred Maintenance/Infrastructure Improvement	\$61,000	\$50,866	0	-\$50,866
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Capital Improvement and Maintenance</b>	<b>\$546,188</b>	<b>\$552,088</b>	<b>\$524,571</b>	<b>-\$27,517</b>
<b>Land Acquisition--Land and Water Conservation Fund</b>				
Land Purchase	\$132,242	\$112,746	\$27,756	-\$84,990
Acquisition Management	\$17,500	\$17,764	\$16,374	-\$1,390
Acquisition of Lands for National Forests, Special Acts	\$1,069	\$1,069	\$1,069	0
Acquisition of Lands to Complete Land Exchanges	\$234	\$234	\$234	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Land Acquisition/L&amp;WCF</b>	<b>\$151,045</b>	<b>\$131,813</b>	<b>\$45,433</b>	<b>-\$86,380</b>
<b>Other Appropriations</b>				
Range Betterment Fund	\$3,290	\$3,402	\$3,000	-\$402
Gifts, Donations, and Bequests for Research	\$92	\$92	\$92	0
Management of NF Lands for Subsistence Uses	\$5,488	\$5,542	\$5,535	-\$7
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Other Appropriations</b>	<b>\$8,870</b>	<b>\$9,036</b>	<b>\$8,627</b>	<b>-\$409</b>
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Discretionary Appropriations</b>	<b>\$4,130,416</b>	<b>\$3,948,711</b>	<b>\$4,057,972</b>	<b>\$109,261</b>

**MANDATORY APPROPRIATIONS**

**Permanent Appropriations**

Working Funds				
Brush Disposal	\$9,444	\$15,000	\$17,000	\$2,000
Licensee Programs	\$49	\$125	\$125	0
Restoration of Forestlands and Improvements	\$3,559	\$7,500	\$8,000	\$500
Recreation Fee Collection Costs	\$811	\$650	\$650	0
Recreation Fee Demonstration Program	\$35,755	\$40,000	\$42,000	\$2,000
Timber Roads--Purchaser Election Program	\$11,890	\$6,800	\$6,800	0

**Three-Year Summary of Appropriations**  
**Program Level**  
(\$ in Thousands)

	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change</b>
	<b>Enacted</b>	<b>President's</b>	<b>President's</b>	<b>from</b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>Enacted</u></b>	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>FY 2003</u></b>
Timber Salvage Sales	\$64,375	\$65,000	\$70,000	\$5,000
Timber Sales Pipeline Restoration Fund	0	\$3,000	\$4,000	\$1,000
Roads and Trails for States	\$12,132	\$15,000	\$15,000	0
Midwin National Tallgrass Prairie--Rental Fees	\$1,124	\$500	\$600	\$100
Operation and Maintenance of Quarters	\$7,991	\$8,000	\$8,000	0
Land between the Lakes Management Fund	\$3,467	\$3,500	\$3,900	\$400
Administration of Rights-of-Way and Other Land Uses	\$258	\$4,450	\$4,450	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--Working Funds</b>	<b>\$150,855</b>	<b>\$169,525</b>	<b>\$180,525</b>	<b>\$11,000</b>
<b>Payment Funds</b>				
Payments to States--National Forest Fund	\$92,166	\$13,000	\$13,000	0
Payments to Counties--National Grasslands Fund	\$6,185	\$6,000	\$6,660	\$660
Payment to Minnesota	\$2,102	\$2,102	\$2,102	0
Full Community Stabilization Payments	\$294,996	\$371,000	\$371,000	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--Payment Funds</b>	<b>\$395,449</b>	<b>\$392,102</b>	<b>\$392,762</b>	<b>\$660</b>
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Permanent Appropriations</b>	<b>\$546,304</b>	<b>\$561,627</b>	<b>\$573,287</b>	<b>\$11,660</b>
<b>Forest Service Trust Funds</b>				
Cooperative Work				
Knutson-Vandenburg Trust Fund	\$44,726	\$115,000	\$115,000	0
Other Cooperative Work	\$42,496	\$43,000	\$43,000	0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Subtotal--Cooperative Work</b>	<b>\$87,222</b>	<b>\$158,000</b>	<b>\$158,000</b>	<b>0</b>
 Land between the Lakes Trust Fund	 \$1,000	 \$1,000	 \$1,000	 0
 Reforestation Trust Fund	 \$30,000	 \$30,000	 \$30,000	 0
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Forest Service Trust Funds</b>	<b>\$118,222</b>	<b>\$189,000</b>	<b>\$189,000</b>	<b>0</b>
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Total--Mandatory Appropriations</b>	<b>\$664,526</b>	<b>\$750,627</b>	<b>\$762,287</b>	<b>\$11,660</b>
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Forest Service Grand Total</b>	<b>\$4,794,942</b>	<b>\$4,699,338</b>	<b>\$4,820,259</b>	<b>\$120,921</b>

**USDA Forest Service  
Receipts by Source and  
Payments to States**

<u>Description</u>	(\$ in Thousands)		
	<u>FY 2002 ACTUAL</u>	<u>FY 2003 ESTIMATE</u>	<u>FY 2004 ESTIMATE</u>
National Forest Fund			
Timber	57,264	42,000	42,000
Grazing	5,529	5,800	5,800
Land Uses	11,858	12,000	12,000
Recreation, Admission, and User Fees	43,873	44,660	44,660
Power	1,806	2,500	3,200
Minerals	989	2,400	2,000
	~~~~~	~~~~~	~~~~~
Subtotal--National Forest Fund	121,319	109,360	109,660
Timber Sale Area Improvement (K-V Fund)	17,803	73,000	73,000
Timber Roads--Purchaser Credit Program	{4,521}	{1,000}	{0}
Road Costs	8,907	8,900	8,900
Timber Salvage Sales	65,424	63,000	63,000
	~~~~~	~~~~~	~~~~~
Subtotal--Receipts	213,452	254,260	254,560
	~~~~~	~~~~~	~~~~~
Total, National Forest Fund (Incl. Purchaser Credit)	217,974	255,260	254,560
National Grasslands and Land Utilization Projects			
Minerals	16,494	25,600	25,000
Grazing	472	580	580
Other	484	450	450
	~~~~~	~~~~~	~~~~~
Total--National Grasslands and LU Projects	17,449	26,630	26,030
	~~~~~	~~~~~	~~~~~
Subtotal--Net Receipts	230,902	280,890	280,590
Permanent Appropriations, Cooperative Work, and Other Appropriations--Budget Authority			
Brush Disposal	9,498	15,000	17,000
Cooperative Contributions	42,496	42,000	50,000
Licensee Programs	50	125	125
Recreation Fee Demonstration Program	36,318	40,000	42,000
Operation and Maintenance of Quarters	6,324	8,000	8,000
Restoration of Forestlands and Improvements	3,559	7,500	8,000
Acquisition of Lands to Complete Land Exchanges	1,371	234	234
Gifts, Donations, and Bequests for Research	64	92	92
Administration of Rights-of-Way, Other Land Uses	78	4,450	4,450
Land Between the Lakes (LBL) Management Fund	3,467	3,500	3,900
Valles Caldera Fund	321	400	0
	~~~~~	~~~~~	~~~~~
Total--Forest Service Receipts	334,446	402,191	414,391



**USDA Forest Service  
Receipts by Source and  
Payments to States**

<u>Description</u>	(\$ in Thousands)		
	<u>FY 2002 ACTUAL</u>	<u>FY 2003 ESTIMATE</u>	<u>FY 2004 ESTIMATE</u>
Power Licenses on Public Domain Lands <sup>1/</sup>	20,000	20,000	20,000
Mineral Leases on Public Domain Lands <sup>1/</sup>	130,000	180,000	180,000
Minerals Leases on Acquired Lands <sup>2/</sup>	16,000	16,000	16,000
Oregon and California Grant Lands <sup>2/</sup>	10,900	10,900	10,900
	~~~~~	~~~~~	~~~~~
Total--Revenues from Forest Service Lands	512,576	629,091	641,291
Permanent Appropriations--Payments to States Budget Authority			
Payment to Minnesota	2,102	2,102	2,102
Payments to States/Non-Owl Forests	92,166	13,000	13,000
Payments to Counties/National Grasslands	6,185	4,360	6,660
	~~~~~	~~~~~	~~~~~
Subtotal--Payments to States	100,452	19,462	21,761
Full Community Stabilization Payments	294,996	377,000	377,000
	~~~~~	~~~~~	~~~~~
Total--Payments to States	395,448	396,462	398,761
National Forest Fund Receipts (Net Available)	130,226	118,260	118,560
Minus Permanent Appropriations and Others			
Acquisition of Lands for National Forests, Special Acts	1,067	1,069	1,069
Ten-Percent Roads and Trails Fund for States	27,635	12,000	12,000
Range Betterment Fund (50 Percent Grazing)	2,790	2,900	2,900
Timber Roads--Purchaser Election Program	11,890	5,945	5,945
Recreation Fee Collection Costs	811	750	750
Timber Sales Pipeline Restoration Fund	0	3,000	5,000
National Forest Fund--Payments to States	92,166	13,000	13,000
Midewin NTP Rental Fees	896	500	600
Payment to Minnesota	2,102	2,102	2,102
	~~~~~	~~~~~	~~~~~
Subtotal--Permanent Appropriations and Others	139,356	45,021	46,121
	~~~~~	~~~~~	~~~~~
Balance--National Forest Fund--General Fund to Treasury <sup>3/</sup>	-9,130	73,240	72,440

<sup>1/</sup> Represents non-cash receipts from NFS lands deposited directly to DOI and Dept. of Energy

<sup>2/</sup> Represents Forest Service receipts transferred to DOI from special Oregon and California Grant Lands account.

<sup>3/</sup> For FY 2002 and 2003, any negative balance as a result of the "Full Community Stabilization Payments" will be paid out of General Treasury funds.

### Three-Summary of Full-Time Equivalents

<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>FY 2002 Enacted</u></b>	<b><u>FY 2003 President's Budget<sup>1/</sup></u></b>	<b><u>FY 2004 President's Budget</u></b>
Forest and Rangeland Research	2,494	2,407	2,319
State and Private Forestry	909	877	845
National Forest System	17,094	16,437	15,868
Wildland Fire Management	9,504	9,258	8,923
Capital Improvement and Maintenance	4,175	4,029	3,883
Land Acquisition--Land and Water Conservation Fund	109	105	101
Other Appropriations	43	41	40
	~~~~~	~~~~~	~~~~~
Total--Discretionary Appropriations	34,328	33,154	31,979
<b><u>MANDATORY APPROPRIATIONS</u></b>			
Forest Service Permanent Appropriations	1,410	1,380	1,351
Forest Service Trust Funds	966	945	924
	~~~~~	~~~~~	~~~~~
Total--Mandatory Appropriations	2,376	2,325	2,275
	~~~~~	~~~~~	~~~~~
<b>Forest Service Grand Total</b>	<b>36,704</b>	<b>35,479</b>	<b>34,254</b>

1/ Amount has been adjusted since first published in the FY 2003 Forest Service Budget Justification to reflect 2002 actuals. This applies to subsequent tables on full-time equivalents.

**Three-Year Summary of Full-Time Equivalents  
Program Level**

<b><u>DISCRETIONARY APPROPRIATIONS</u></b>	<b><u>FY 2002 Enacted</u></b>	<b><u>FY 2003 President's Budget</u></b>	<b><u>FY 2004 President's Budget</u></b>	<b><u>Change from FY 2003</u></b>
Total --Forest and Rangeland Research	2,494	2,407	2,319	-88
State and Private Forestry				
Forest Health Management				
Federal Lands	530	530	511	-19
Cooperative Lands	46	46	44	-2
Emerging Pests and Pathogens Fund	0	25	24	-1
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Forest Health Management	576	601	579	-22
Cooperative Fire Protection				
State Fire Assistance	33	33	32	-1
Volunteer Fire Assistance	2	2	2	0
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Cooperative Fire Protection	35	35	34	-1
Cooperative Forestry				
Forest Stewardship	80	92	88	-4
Forest Legacy Program	13	13	13	0
Urban and Community Forestry	105	105	101	-4
Economic Action Programs	57	0	0	0
Pacific Northwest Assistance Programs	12	0	0	0
Forest Resources Information and Analysis	9	9	9	0
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Cooperative Forestry	276	219	211	-8
International Forestry	22	22	21	-1
	~~~~~	~~~~~	~~~~~	~~~~~
Total--State and Private Forestry	909	877	845	-32
National Forest System				
Land Management Planning	836	811	757	-54
Inventory and Monitoring	1,827	1,757	1,685	-72
Recreation, Heritage, and Wilderness	3,153	3,065	2,943	-122
Wildlife and Fisheries Habitat Management	1,614	1,545	1,483	-62
Grazing Management	423	412	472	60
Forest Products	4,009	3,768	3,626	-142

**Three-Year Summary of Full-Time Equivalents  
Program Level**

	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change</b>
	<b>Enacted</b>	<b>President's</b>	<b>President's</b>	<b>from</b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>		<b>Budget</b>	<b>Budget</b>	<b>FY 2003</b>
Vegetation and Watershed Management	2,353	2,231	2,143	-88
Minerals and Geology Management	550	570	546	-24
Landownership Management	884	860	824	-36
Law Enforcement Operations	699	670	641	-29
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--National Forest System	16,348	15,689	15,120	-569
Allocation Accounts	746	747	748	1
	~~~~~	~~~~~	~~~~~	~~~~~
Total--National Forest System	17,094	16,436	15,868	-568
Wildland Fire Management				
Preparedness	5,272	4,060	3,217	-843
Fire Operations	2,940	3,865	4,421	556
Hazardous Fuels	1,292	1,333	1,286	-47
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Wildland Fire Management	9,504	9,258	8,924	-334
Capital Improvement and Maintenance				
Facilities	957	982	915	-67
Roads	2,398	2,298	2,262	-36
Trails	714	666	705	39
Deferred Maintenance/Infrastructure Improvement	106	84	0	-84
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Capital Improvement and Maintenance	4,175	4,030	3,882	-148
Land Acquisition--Land and Water Conservation Fund				
Acquisition Management	109	105	101	-4
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Land Acquisition/L&WCF	109	105	101	-4
Other Appropriations				
Range Betterment Fund	21	20	20	0
Management of NF Lands for Subsistence Uses	22	21	20	-1
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Other Appropriations	43	41	40	-1
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Discretionary Appropriations	34,328	33,154	31,979	-1,175

**Three-Year Summary of Full-Time Equivalents  
Program Level**

	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>Change</b>
	<b><u>Enacted</u></b>	<b><u>President's</u></b>	<b><u>President's</u></b>	<b><u>from</u></b>
<b><u>DISCRETIONARY APPROPRIATIONS</u></b>		<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>FY 2003</u></b>
<b><u>MANDATORY APPROPRIATIONS</u></b>				
Permanent Appropriations				
Working Funds				
Brush Disposal	117	115	112	-3
Restoration of Forestlands and Improvements	8	8	8	0
Recreation Fee Collection Costs	9	9	9	0
Recreation Fee Demonstration Program	476	466	456	-10
Timber Salvage Sales	650	635	623	-12
Timber Sales Pipeline Restoration Fund	13	13	12	-1
Roads and Trails for States	85	83	81	-2
Midewin National Tallgrass Prairie--Rental Fees	2	2	2	0
Operation and Maintenance of Quarters	32	31	31	0
Land between the Lakes Management Fund	17	17	16	-1
Administration of Rights-of-Way and Other Land Uses	1	1	1	0
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Permanent Appropriations, Working Funds	1,410	1,380	1,351	-29
Forest Service Trust Funds				
Cooperative Work				
Knutson-Vandenburg Trust Fund	585	572	559	-13
Other Cooperative Work	213	209	204	-5
	~~~~~	~~~~~	~~~~~	~~~~~
Subtotal--Cooperative Work	798	781	763	-18
Reforestation Trust Fund	168	164	161	-3
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Forest Service Trust Funds	966	945	924	-21
	~~~~~	~~~~~	~~~~~	~~~~~
Total--Mandatory Appropriations	2,376	2,325	2,275	-50
	~~~~~	~~~~~	~~~~~	~~~~~
<b>Forest Service Grand Total</b>	<b>36,704</b>	<b>35,479</b>	<b>34,254</b>	<b>-1,225</b>