



United States
Department of
Agriculture

Forest Service

FS-953

July 2010



Forest Service Summary of Performance and Financial Information, Fiscal Year 2009





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The Forest Service, U.S. Department of Agriculture (USDA), has chosen to produce an alternative to the consolidated Performance and Accountability Report (PAR) called an Agency Financial Report (AFR). This AFR was produced in accordance with the Office of Management and Budget Circular A-136, Financial Reporting Requirements. The AFR provides an overview of the agency's financial performance and results to help Congress, the President, and the public assess our stewardship over the financial resources entrusted to us.

The Forest Service included its fiscal year (FY) 2009 annual performance report and FY 2010 performance plan with its Congressional Budget Justification. In addition, the agency is producing this summary of performance and financial information.

All these documents are available on the Forest Service Web site at <http://www.fs.fed.us/>.

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Contents

Message From the Chief.....	1	Strategic Goal 6: Engage Urban America With Forest Service Programs.....	18
Introduction.....	2	Strategic Goal 7: Provide Science-Based Applications and Tools for Sustainable Natural Resources Management.....	19
Forest Service Mission.....	2	Summary of Financial Information.....	20
Organizational Structure.....	2	Assets.....	20
Forest Service Performance Management Framework.....	3	Liabilities.....	20
Forest Service Strategic Plan Overview.....	4	Net Position.....	21
Budgetary Resources.....	4	Net Cost of Operations.....	21
Performance Overview.....	5	Expenses.....	21
Challenges and Opportunities.....	5	Summary of Key Management Challenges.....	22
Strategic Goals and Program Performance.....	8	Implementation of Strong, Integrated Control Systems.....	22
Strategic Goal 1: Restore, Sustain, and Enhance the Nation's Forests and Grasslands.....	8	Better Forest Service Management and Community Action To Improve the Health of the National Forests and Reduce the Cost of Fighting Fires.....	22
Strategic Goal 2: Provide and Sustain Benefits to the American People.....	11	Summary of Financial Audit and Management Assurances.....	23
Strategic Goal 3: Conserve Open Space.....	13		
Strategic Goal 4: Sustain and Enhance Outdoor Recreation Opportunities.....	15		
Strategic Goal 5: Maintain Basic Management Capabilities of the Forest Service.....	17		

Message From the Chief

The Forest Service aims to ensure that America's forests and grasslands are in the healthiest condition possible and to provide the American public with the opportunity to use, enjoy, and care for the lands and waters that sustain us all. As Chief, I am pleased to present the Forest Service Summary of Performance and Financial Information for fiscal year (FY) 2009. This report shows how we are fulfilling our mission and presents highlights of our budget, financial, and program performance.

Our agency is committed to sound financial management. In FY 2009, we obtained an unqualified (or "clean") audit opinion for the eighth year in a row. Proper organizational management allows us to fulfill our 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 involves restoring and conserving the adaptive capacity of landscapes while increasing our focus on the importance of providing clean water. This also involves restoring fire to its appropriate place within the natural environments while at the same time reducing the danger communities face from wildland fires.

In addition to protecting the national forests and grasslands, the Forest Service is charged with managing these lands to provide benefits to the American people, including environmental services such as clean water, timber, access to grazing land, a variety of renewable energy resources, rural jobs, and recreational opportunities. We work with State governments and individuals to ensure that all forests and grasslands, both public and private, are maintained in good condition. Our agency also supports education and community forestry programs to improve quality of life in populated areas and to reconnect all Americans with the great outdoors. In all that we do, we constantly emphasize employee safety.

An effective research program is central to our mission. The information and tools produced by agency scientists allow us to continually improve the way in which we manage national forests and grasslands. We share this knowledge with

a variety of partners, both in the United States and abroad, contributing to the sustainability of natural resources on a global scale.

Thanks to the Forest Service staff and partners who implement and support these programs, we achieved more than two-thirds of the strategic targets we set for ourselves in FY 2009, reducing the risk to communities from wildland fires, improving wildlife habitat, and providing goods and services from our forests and grasslands for the benefit of all. We also initiated a number of projects to create jobs that support our mission in economically distressed areas. Nonetheless, significant challenges remain. In the coming years, the Forest Service must address the complexities presented by a changing climate, pest infestations, and the loss of open space in order to restore the health and productivity of our national forests and grasslands. I am proud to present the efforts of Forest Service employees, partners, and volunteers put forth toward achieving the goals of our agency and have confidence that these efforts will continue to be successful.



A handwritten signature in black ink that reads "Thomas L. Tidwell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Thomas L. Tidwell
Chief

Introduction

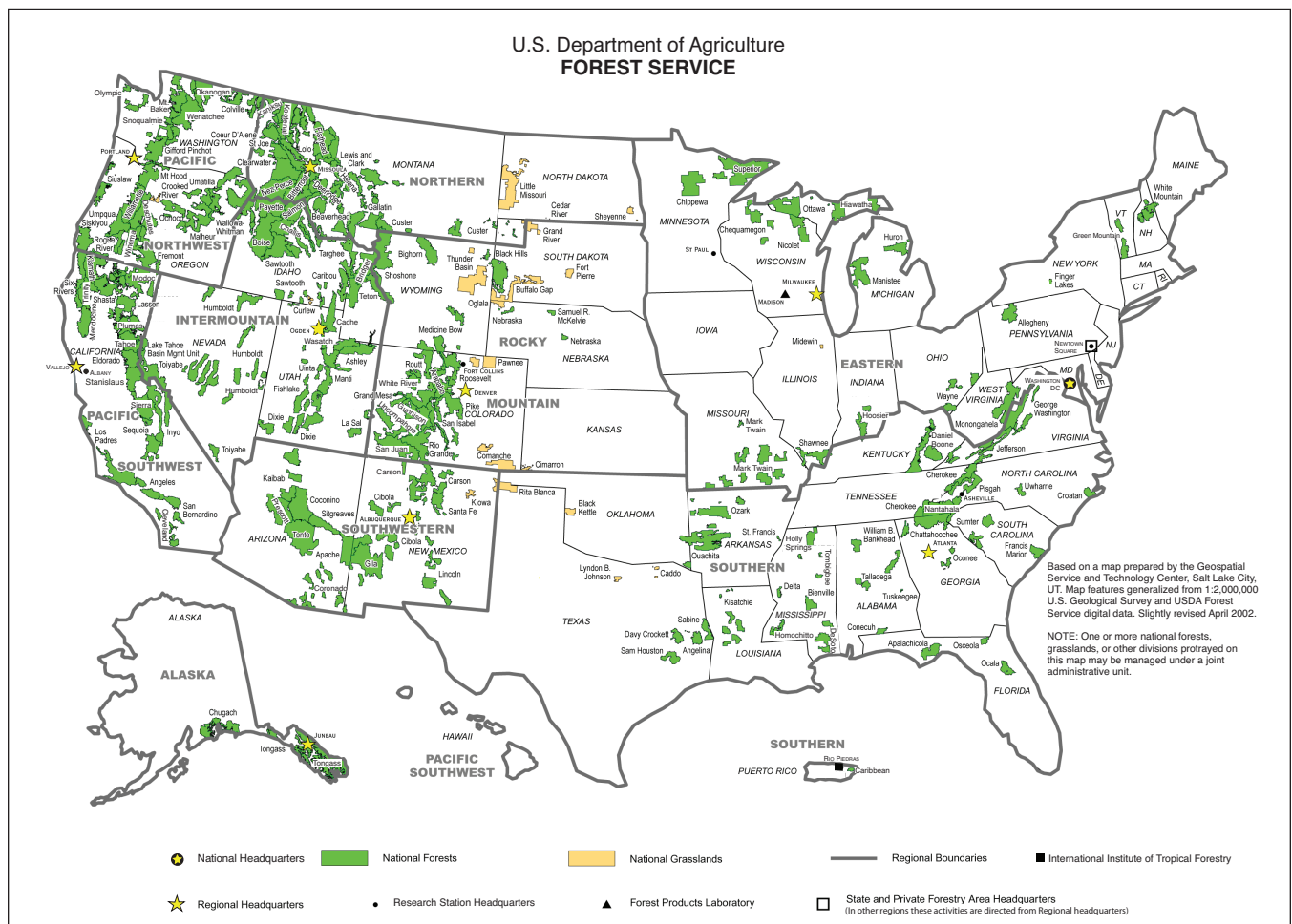
Forest Service Mission

Sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.

The Forest Service, U.S. Department of Agriculture (USDA), is directly responsible for managing, protecting, and providing for the wise use of 193 million acres of National Forest System (NFS) lands. The Forest Service also provides assistance to State and privately owned forests.

Organizational Structure

The Forest Service operates under the guidance of the USDA Under Secretary for Natural Resources and Environment. The agency is organized into nine regions to manage national forests and grasslands. In addition, five research stations, the International Institute of Tropical Forestry, and the Forest Products Laboratory provide the latest science for sound stewardship decisions. The Forest Service also provides funding and technical assistance to fulfill its role on State-owned and privately owned forest lands. To complete the description, the Forest Service provides international assistance in land stewardship and has its own Law Enforcement and Investigations (LEI) unit responsible for enforcing Federal laws and regulations governing NFS lands.



The Forest Service's mission includes five major areas of responsibility:

National Forests and Grasslands. The Forest Service protects and manages 193 million acres of NFS land, which includes 36 million acres of designated wilderness areas.

Forest and Rangeland Research. The agency conducts research and develops forestry and rangeland management practices to provide scientific and technical knowledge to enhance and protect the economic productivity and environmental quality of the estimated 1.3 billion acres of forest and associated rangeland in the United States.

State and Private Forestry (S&PF). The agency provides technical and financial assistance through grants and cooperative agreements to State and local governments, tribal governments, nongovernmental organizations, forest and other green indus-

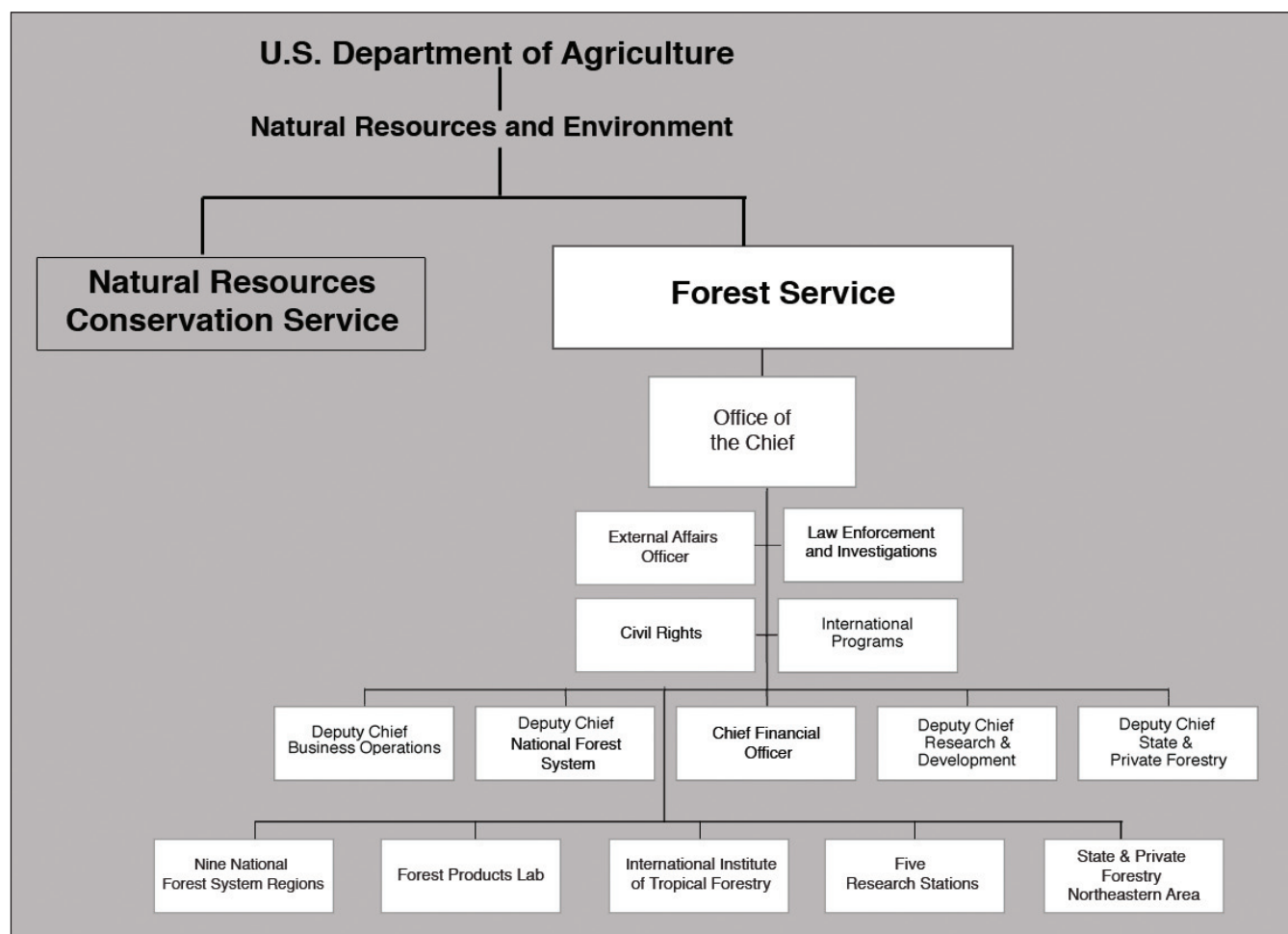
tries, and private landowners to help protect and manage non-Federal forests and associated rangeland and watershed areas.

International Programs. The agency focuses on conserving key natural resources in cooperation with countries throughout the world. The Forest Service promotes sustainable land management outside the United States and imports valuable technologies and innovations.

Wildland Fire Management. The agency protects life, property, and natural resources on 193 million acres of NFS lands and about 20 million acres of other Federal and non-Federal lands under fire protection agreements.

Forest Service Performance Management Framework

The Forest Service is committed to using performance management to ensure effective policy outcomes and promote greater



accountability. The agency uses performance management to establish strategic goals, monitor program activities, measure progress toward goals, and influence decisions about program and resource allocation. Each unit within the agency develops a program of work consisting of specific projects and appropriate accomplishment targets consistent with strategic plan goals and objectives.

Key performance measures are incorporated into performance plans for regional foresters and other Senior Executive Service members and used as part of their annual performance evaluations.

Managers, supervisors, and project staff continually review the completeness and quality of performance data at the ranger district, national forest, and regional levels. The Forest Service requires regional leaders to certify that employees have followed all appropriate procedures to ensure validity and reliability of key performance data and to document data items that do not meet the standard. The Washington Office staff conducts reviews to ensure that regional staff have adhered to appropriate procedures during the year. Year-end accomplishment reports include corrective action plans for unmet measures.

Forest Service Strategic Plan Overview

The USDA *Forest Service Strategic Plan FY 2007–2012* identifies seven strategic goals consistent with the agency’s mission:

- Goal 1:** Restore, Sustain, and Enhance the Nation’s Forests and Grasslands.
- Goal 2:** Provide and Sustain Benefits to the American People.
- Goal 3:** Conserve Open Space.
- Goal 4:** Sustain and Enhance Outdoor Recreation Opportunities.
- Goal 5:** Maintain Basic Management Capabilities of the Forest Service.
- Goal 6:** Engage Urban America With Forest Service Programs.
- Goal 7:** Provide Science-Based Applications and Tools for Sustainable Natural Resources Management.

Each goal includes specific strategic objectives and performance measures, with baselines and fiscal year (FY) 2012 targets for each.

Budgetary Resources

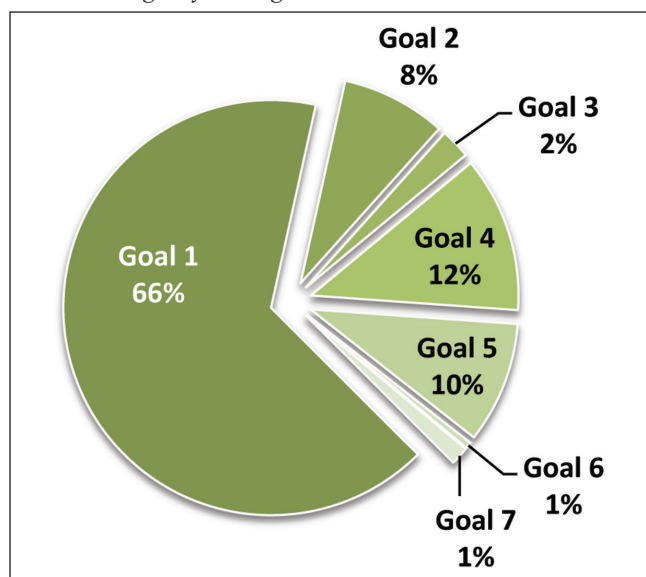
The Forest Service received a budget of \$7.0 billion in FY 2009, including \$1.15 billion to fund projects through the American Recovery and Reinvestment Act of 2009 (Recovery Act). With this temporary supplemental funding, the Forest Service budget increased 13 percent from FY 2008 to FY 2009. Additional information about the budget is available at <http://www.fs.fed.us/aboutus/budget>.

Performance Overview

The Forest Service met or exceeded 70 percent of its strategic performance measure targets in 2009. In one-half of the unmet targets, the agency still improved over last year’s accomplishments (see chart on page 5).

The Forest Service considers goals “met” if actual accomplishments are within 5 percent of the stated target for that year. The agency took action to reduce the risk of severe wildland fire on more than 3.5 million acres of public lands, improved wildlife habitat on more than 2 million acres, produced more than 3 million tons of woody biomass that can be used to generate renewable energy, and protected an additional 176,000 acres of

FY 2009 Budget by Strategic Goal



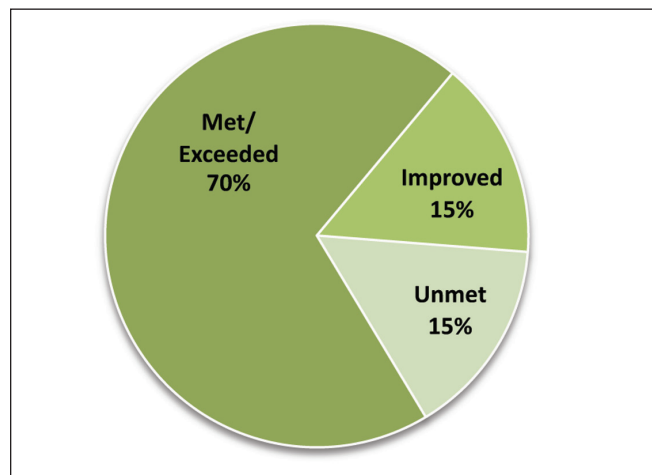
environmentally important forests and grasslands from conversion to developed uses. Despite these successes, the Forest Service continues to encounter a number of challenges, including restoring landscapes to healthy conditions, protecting vital water resources, managing wildland fire cost effectively, and addressing climate change, while supporting the revitalization of rural communities.

Challenges and Opportunities

Landscape Restoration

In the past several decades, drought, climate change, severe wildland fires, and insect infestations and disease have led to declining forest health across the country. When the health and integrity of our lands deteriorate, so do the environmental, economic, and social benefits they provide, which can have an enormous effect on drinking water, carbon emissions, climate, wildlife, recreation, community health, and prosperity. To reverse this decline, Secretary of Agriculture Tom Vilsack shared his *vision* in August 2009 for the restoration, conservation, and collaborative management efforts needed to protect our Nation's forests and watersheds. The Chief of the Forest Service is committed to the Secretary's vision of an "all lands" approach that restores forest health on both public lands and private lands. Healthy forests and grasslands allow all natural systems to better adapt to changes in climate or to stress from drought, insects, and disease. To learn more, and hear Forest Service Chief Tidwell's commentary on the Secretary's vision, visit <http://www.fs.fed.us/video/tidwell/index.html>.

Forest Service Strategic Plan Performance—2009



Water Resources

Forests are vital for America: they provide us with clean and abundant water. Some 180 million people in the United States rely on forested land to capture and filter their drinking water. To ensure abundant, high-quality water sources now and for future generations, we must restore the healthy functioning of watersheds.



Wildland Fire

Historically, wildland fire occurred naturally in forests and grasslands, serving to maintain their health. Fire suppression efforts during the last half of the 20th century allowed trees and underbrush to become denser, which, when combined with poor forest health, created hazardous conditions that increased the risk for severe wildland fire. Although wildland fire is a natural part of the ecosystem, the higher frequency and greater intensity of fires in recent years is not. As we reverse the decline in forest health, we will also decrease the risk of severe wildland fire to nearby communities.

The rising suppression costs of these severe wildland fires have taken a toll on the agency's budget in recent years. To minimize effects on other programs, the President and Congress have taken action to responsibly budget for wildfire. In 2009, Congress passed a law creating a special fund for large fire suppression. This fund may also be used after other firefighting money has been exhausted and will help ensure that sufficient funds are available to fight fires without diverting resources from other critical Forest Service programs and activities.

Climate Change

Many of the most urgent forest and grassland management problems of the past two decades—wildfires, changing precipitation patterns, and severe forest insect infestations—have been driven, in part, by the changing climate. These problems threaten the ability of forests and grasslands to provide environmental benefits, such as clean water, biodiversity, and recreation opportunities. In addition, America's forests and rangelands are important parts of the Nation's response to

climate change. When appropriately managed, they can help control heat-trapping gases that cause global warming.

The Forest Service is developing plans to integrate our research, management, and landowner assistance programs to address climate change. The effort is based on 20 years of targeted research and a century of science and management experience on public and private forest and rangelands.

Emmett Saw and Shavings Mill Project

Boise, Payette, and Sawtooth National Forests, Idaho

Since the summer of 2009, more than 30 people have been working on the construction phase of the Emmett Saw and Shavings Mill project in Idaho, which was funded by the American Recovery and Reinvestment Act of 2009. Emerald Forest Products has purchased 30 truckloads of used equipment from four different sawmills, which stretch from Wyoming to Oregon, to assemble the mill. Completion of the mill is slated for the early spring of 2010.

In addition to employing the construction crews, this project is expected to provide long-term employment for up to 46 people at the saw and shavings mill and for additional people in the logging and trucking industries.

The mill became operational in May 2010 and will provide lumber for the 8- to 12-foot-board market. An onsite power plant will produce 19 megawatts of energy using a juniper that is locally considered a weed. The onsite plant should provide enough power to cover mill site operations, with excess sold to Idaho Power.

According to Gem County Commissioner Lan Smith, the Emmett Saw and Shavings Mill project has made a big difference to the county's local economy while improving community morale. Smith said 60 percent of the local workforce typically leaves the community to find work. With a population of just under 17,000, 35 to 40 new well-paying jobs means more money stays in the community; more people shop locally because their work is nearby.

Smith said that the county has been seeking additional businesses to provide new long-term jobs, and Emerald Forest Products' decision to build the mill is a tremendous boon to the area. "We're excited about other business ventures Emerald Forest Products may consider bringing to Gem County," Smith said.

The project's construction work immediately helped ease the difficult employment situation in southwest Idaho. The project supports timber industry infrastructure viability in a way that also contributes to the health of nearby forests by removing invasive plants for power generation.

Long-term benefits include job retention and expansion.



Rural Communities

Restoring and conserving forests and working lands can provide jobs and support communities. These lands can generate economic value by attracting tourism and recreation visitors; sustaining green jobs; and producing timber and other forest products, food, and energy. Our forests are also of immense social importance; they enhance rural quality of life and preserve culturally important landscapes.

To meet the challenges of the recent economic downturn, the President signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act) on February 17, 2009. Under this Act, the Forest Service initiated a number of projects to create jobs that sustain the Nation's forests and grasslands and to improve or maintain capital assets such as roads, buildings, trails, and other infrastructure. These projects continue through September 2010. For more information, go to http://www.usda.gov/wps/portal/arra?navid=USDA_ARRA.

Strategic Goals and Program Performance

Strategic Goal 1: Restore, Sustain, and Enhance the Nation's Forests and Grasslands

Goal 1 Resources (in millions)		
2007	2008	2009
\$3,385	\$4,896	\$4,620

The national forests and grasslands were established to protect land and water resources to provide a sustainable supply of goods and services to the American people. In addition to managing these lands, the Forest Service provides technical and financial assistance to the States and private forest landowners. During the past century, the agency has achieved a balance between providing land stewardship services and meeting public demands for various uses of the NFS. Despite past successes, challenges persist. In recent years, people have become more aware of forest disturbance. The increasing extent and frequency of uncharacteristically severe wildland fires and insect and disease outbreaks have caused particular concern. The Forest Service works to restore, sustain, and enhance the land through its Wildland Fire Management, Native and Non-Native Species, and Healthy Watersheds and Diverse Habitats programs.



Goal 1—Summary of Performance: Wildland Fire Management

Although the Forest Service surpassed its goal to maintain fire-adapted lands in good condition, it struggled to restore other lands to similar, desired conditions. Various factors influence the agency's ability to meet these goals, including weather, resource availability, and the number of treatments required. The agency continues to target more strategic acres for treatment, many of which are in the more costly wildland-urban interface (WUI).

The agency uses a stratified cost index (SCI) to compare suppression costs across years. The Forest Service did not meet its target for percent of fires exceeding the SCI in 2009. The

Reduce the risk to communities and natural resources from wildfire.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Target
				Target	Results	Rating			
Number and percentage of acres treated to restore fire-adapted ecosystems									
(1) Moved toward desired conditions									
• Number (acres)	991,000	970,641	699,062	1,107,100	799,215	Unmet	1,180,000	960,000	1,600,000
• Percentage	39%	32%	23%	42%	27%		49%	40%	40%
(2) Maintained in desired conditions									
• Number (acres)	830,000	1,022,144	986,507	1,054,000	1,146,720	Exceeded	1,128,000	1,200,000	2,000,000
• Percentage	33%	33%	32%	40%	38%		47%	50%	50%
Number of acres brought into stewardship contracts*	57,500	77,676	65,890	107,000	88,304	Unmet	121,000	600,000	600,000

Notes: Measure (1) is calculated using change-in-condition class. In FY 2006, the information was not available for all vegetation treatments, so we applied a ratio to attain these baseline numbers. In FY 2007, data became available for all treatments. In 2011, the Forest Service plans to shift resources away from timber management toward stewardship contracting.

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Suppress wildfires efficiently and effectively.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of fires not contained in initial attack that exceed a stratified cost index	24%	22%	24%	20%	22%	Unmet	19%	18%	14%

Build community capacity to suppress and reduce losses from wildfires.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of acres treated in the WUI that have been identified in CWPP or equivalent plans*	17%	25%	36%	28%	41%	Exceeded	41%	75%	75%

CWPP = community wildfire protection plans. WUI = wildland-urban interface.

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

number of fires that exceeded the index decreased from 24 percent in FY 2008 to 22 percent in FY 2009. The percentage of fires that exceeded a stratified cost index in 2009 is reduced due to an increase in effective suppression strategies and tactics.

**Goal 1—Summary of Performance:
Invasive/Native Species**

Invasive species, including insects, pathogens, plants, and aquatic pests, pose a long-term risk to forest and rangeland health. Overcrowded forest stands, climate change, and drought have also increased the extent and frequency of insect and disease outbreaks.

As the agency shifts focus toward increased treatment effectiveness, unit costs are increasing, making it more difficult to achieve goals set in the strategic plan. By improving each treatment, however, the agency expects to more effectively eradicate new pest and disease infestations before they become a major problem and to improve control of existing infestations.

In FY 2009, the Forest Service and other Federal and State agencies combated native and nonnative pest species on more than 1.3 million acres. Treatment areas for native pests, such as the southern pine beetle and western bark beetle, focused on high-priority, large-scale watersheds. For invasive pests, one priority was to slow the gypsy moth infestation that had spread from North Carolina to Wisconsin.

Reduce adverse impacts from invasive and native species, pests, and diseases.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of priority acres restored and/or protected from invasive species on Federal lands and cooperative program lands									
NFS	90%	76%	81%	90%	82%	Unmet	90%	90%	90%
S&PF*		19%	28%	20%	26%	Exceeded	20%	20%	

NA= Not applicable. NFS = National Forest System. S&PF = State and Private Forestry.

* S&PF accomplishments are not cumulative and reflect meeting 100 percent of a 5-year (2007–12) target of nearly 4 million acres.

Goal 1—Summary of Performance: Healthy Watersheds and Diverse Habitats

The Forest Service met or exceeded all targets for this objective, in part through collaboration with other government agencies and conservation organizations. Integration with other Forest Service activity areas, such as vegetation management and engineering, also played an important role in achieving these targets. Collaboration among programs enhances accomplishments as the agency becomes more skilled at developing projects that benefit multiple types of natural resources.



Restore and maintain healthy watersheds and diverse habitats.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of watersheds in class 1 condition	30%	30%	30%	30%	30%	Met	29%	29%	32%
Acres and miles of terrestrial and aquatic habitat restored consistent with forest plan direction:									
Acres of terrestrial habitat restored*	642,000	273,562	1,962,962	1,400,000	2,153,749	Exceeded	1,607,646	1,500,000	1,500,000
Miles of stream habitat restored	4,600	1,542	2,346	2,500	3,498	Exceeded	2,600	2,900	6,474
Acres of lake habitat restored	18,000	13,002	18,290	18,000	23,570	Exceeded	19,060	20,000	25,328
Percentage of acres needing reforestation or timber stand improvement that were treated	13%	14%	15%	16%	18%	Exceeded	17%	18%	20%

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Strategic Goal 2: Provide and Sustain Benefits to the American People

Goal 2 Resources (in millions)		
2007	2008	2009
\$411	\$400	\$572

America's forests and grasslands contain abundant natural resources and opportunities that help meet the demands and needs of the American people. Sustainable management of these resources ensures that the availability of goods and services continues into the future and that land productivity is maintained. National forest management provides a variety of opportunities for use and maintains wildlife diversity, supplies of wood products, energy sources and transmission infrastructure, wildlife and domestic livestock forage, water supplies, and other goods and services. Primarily through S&PF programs, the Forest Service provides technical and financial assistance for natural resource management and the sustainable use of resources on non-Federal lands in the United States. The Forest Service also provides international technical assistance,

which not only advances the sustainability of forest resources abroad but also improves conditions here at home. Our research provides a solid scientific foundation for the sustainable management of forests and grasslands and improvements in the use and marketing of forest products and services.

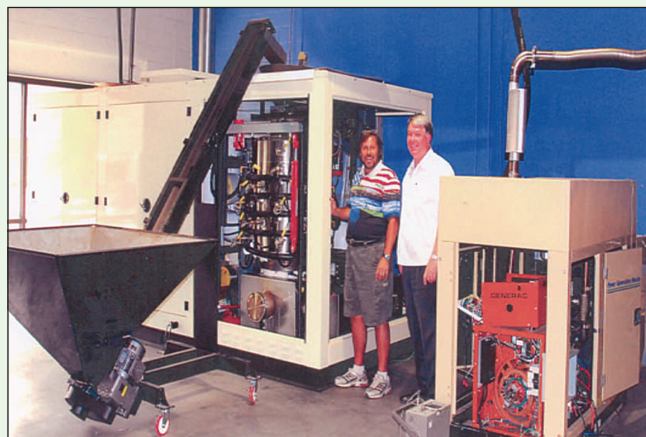
Goal 2—Summary of Performance

Although the agency achieved more than 96 percent of the planned level of harvested forest products, continued effects of the economic downturn and associated declines in the forest products market resulted in a slightly lower number of acres treated than desired. The increase in availability of woody biomass was generated in large part through projects funded with Recovery Act funds.

Pending litigation and court decisions continue to affect the performance of the Minerals and Geology program. (The agency cannot issue final decisions on some proposals to access energy and mineral resources on national forests and grasslands until these legal issues have been resolved). This is why the Forest Service did not meet its accomplishment expectation.

Biomass Gasifier Powers Winn Ranger District Office on Kisatchie National Forest

A BioMax®25(kW) gasifier that uses wood chips as fuel was recently unveiled on the Kisatchie National Forest in Louisiana. The Winn Ranger District Office is the first district office in the country to use biomass-generated electricity. The fuel operates a generator to take the place of utility-supplied power to the building. The unit will make maximum use of storm and logging debris and woody understory brush.



Provide a reliable supply of forest products over time that (1) is consistent with achieving desired conditions on NFS lands and (2) helps maintain or create processing capacity and infrastructure in local communities.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Amount of wood fiber provided each year to help meet the Nation's demand for forest products in an environmentally sustainable manner*	2,700 MMBF	1,610 MMBF	2,484 MMBF	2,498 MMBF	2,415 MMBF	Met	2,546 MMBF	2,400 MMBF	2,400 MMBF
	5,400,000 CCF	3,111,523 CCF	4,753,979 CCF	4,994,500 CCF	4,829,254 CCF	Met	5,093,400 CCF	4,800,000 CCF	4,800,000 CCF
Number of green tons and/or volume of woody biomass from hazardous fuel reduction and restoration treatments on Federal land that are made available through permits, contracts, grants, agreements, or the equivalent	NA	2,768,000	2,331,989	2,700,000	3,155,936	Exceeded	2,700,000	2,600,000	2,700,000

CCF = hundred cubic feet. MMBF = million board feet. NA = not available.

The initial collection of data for this performance measure commenced at the beginning of FY 2007.

Provide a reliable supply of rangeland products over time that (1) is consistent with achieving desired conditions on NFS lands and (2) helps support ranching in local communities.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Acres of national forests and grasslands under grazing permit that are sustainably managed for all rangeland products	81,560,000	90,197,781	79,472,798	81,560,000	79,097,281	Met	81,560,000	81,560,000	81,560,000

Help meet energy resource needs.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of land special use permit applications for energy-related facilities that are completed within prescribed timeframes*	50%	45%	100%	60%	100%	Exceeded	95%	100%	100%
Percentage of energy-mineral applications that are processed within prescribed timeframes	45%	11%	8%	50%	8%	Unmet	50%	50%	55%

Promote market-based conservation and stewardship of ecosystem services.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Number of states that have agreements with the Forest Service to help private forest landowners market ecosystem services*	1	6	12	NA	17	NA	19	21	21

NA = not available.

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Strategic Goal 3: Conserve Open Space

Goal 3 Resources (in millions)		
2007	2008	2009
\$180	\$162	\$165

Open space provides many environmental, social, and economic benefits to rural and urban communities. Undeveloped forests and grasslands—including working farms, ranches, and timber lands—help protect water quality; conserve native wildlife; and provide renewable timber and nontimber products, recreation opportunities, and scenic beauty. Conservation of these open spaces is essential to maintain the multitude of public benefits we all need and enjoy. These “green spaces” also increase home values and generate jobs and economic vitality. Current population growth trends show a steady loss of vital open spaces to developed uses.



The Forest Service addresses the issue of open space by acquiring land and collaborating with States and private landowners to protect these areas. For example, the Forest Legacy Program protects environmentally important forest areas that are threatened by development and other nonforest uses. The Forest Stewardship Program develops and delivers appropriate technical and planning assistance to enable active, informed, long-term forest management. Forest Stewardship management plans provide landowners with practical guidance for achieving their own unique objectives in a way that also maximizes public goods and services provided by those forests, such as clean drinking water, clean air, carbon sequestration, wood fiber, recreation, and scenic landscapes. Forest Stewardship management plans place landowners in a much better position to participate in certification programs and access emerging markets, such as those for ecosystem services and carbon credits.

Goal 3—Summary of Performance

In FY 2009, the Forest Service used its Federal money in combination with partner funds to exceed its target for protecting environmentally important areas. In addition, private landowners managed more than 18 million acres using Forest Stewardship plans as of 2009.

The actual number of acres managed under Forest Stewardship plans was lower than planned, partly because State agencies needed to move resources and adapt programs to target newly established landscape focus areas. In many cases working in these areas involves a completely different and much more diverse landowner demographic. The Forest Service collaborates with States to improve their processes for setting priorities under this program. With time, State partners are expected to further focus their technical assistance efforts to affect their highest priority landscape areas.

Protect forests and grasslands from conversion to other uses.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Acres of environmentally important forests and grasslands protected from conversion	1,360,000	1,448,091	1,643,078	1,747,078	1,897,809	Exceeded	2,085,809	2,300,809	2,000,000

This measure is reported annually, but the baseline and 2012 targets are cumulative. Annual numbers represent reported accomplishments at the end of the fiscal year. Cumulative numbers represent accomplishments through the end of the fiscal year plus adjustments made for late-arriving data from the States, which may result in a mathematical difference between the two representations.

Help private landowners and communities maintain and manage their land as sustainable forests and grasslands.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Acres of nonindustrial private forest land that are being managed sustainably under forest stewardship management plans (number of acres cumulative)	15,133,689	16,848,895	18,737,799	20,500,000	18,582,449	Unmet	22,000,000	23,500,000	25,000,000

Includes acres managed under current forest stewardship management plans only; as plans expire they are not always renewed, resulting in a slight drop in the cumulative number for this measure from 2008 to 2009.

Strategic Goal 4: Sustain and Enhance Outdoor Recreation Opportunities

Goal 4 Resources (in millions)		
2007	2008	2009
\$582	\$602	\$851

The Forest Service is challenged with sustaining adequate high-quality outdoor recreation opportunities to meet the Nation's needs while maintaining the ecological integrity of national forests and grasslands. The combination of increasing populations and the continued decline of public access to privately owned forest land creates extensive pressure on public lands to supply more recreation opportunities. The Forest Service's recreation programs provide jobs not only for the maintenance of infrastructure, such as trails and lodges, but also by attracting tourism that supports rural businesses.

If public lands are to provide additional recreational benefits without damaging the landscape, management must be based on a strong scientific foundation, which is provided in part by Forest Service researchers. Preserving high-quality recreation opportunities also requires maintaining the lands and the buildings, roads, and trails on those lands. This infrastructure makes it possible for visitors to interact with wildlife, explore wilderness and cultural heritage areas, participate in educational activities, and access off-highway vehicle trails. The agency continues to work with its partner volunteers, nongovernmental organizations, other agencies, and the private sector to achieve acceptable results.

Goal 4—Summary of Performance

The agency exceeded its FY 2009 target in recreation facilities maintained to standard in large part because of additional resources provided through the Recreation Enhancement Fund and the Recovery Act. Continued support from volunteers and youth organizations also helps the agency manage the Forest Service's varied recreation, heritage, facilities, and trails programs.



The National Forest Road System is an integral part of the rural transportation network, and the Forest Service makes continual efforts to maintain a safe road system that provides appropriate access to and through NFS lands. To improve management of recreation infrastructure, the agency aimed to identify existing roads, trails, and areas open to different types of motor vehicle use under travel management plans for 70 percent of NFS lands by the end of FY 2009, but achieved only 44 percent coverage. Some forest and district offices found the process more time consuming than originally anticipated because of the diversity of stakeholders (the public and State, local, and tribal governments) involved.

Improve the quality and availability of outdoor recreation experiences.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of recreation sites maintained to standard	65%	67%	65%	57%	67%	Exceeded	67%	66%	81%
Percentage of total recreation capacity at developed recreation sites that meets accessibility standards	10%	NA	22%	20%	23%	Exceeded	24%	27%	30%
Percentage of trails that meet national quality standards	60%	39%	NA	40%	26%	Unmet	40%	40%	60%
Percentage of customers who are satisfied with recreation facilities, services, and settings*	80%	90%	89%	90%	91%	Met	90%	90%	90%
Percentage of road system intended for passenger-car use which is suitable for passenger-car use*	29%	90%	89%	88%	89%	Met	89%	89%	89%

NA = not available.

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Secure legal entry to national forest lands and waters.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of high-priority access rights-of-way acquired	90%	90%	78%	90%	74%	Unmet	85%	85%	NA

Improve the management of off-highway vehicle use.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of NFS lands covered by new motor vehicle use maps reflecting a designated-use system of roads, trails, and areas	0%	13%	27%	70%	44%	Unmet	98%	100%	100%

NA = not available. NFS = National Forest System.

Strategic Goal 5: Maintain Basic Management Capabilities of the Forest Service

Goal 5 Resources (in millions)		
2007	2008	2009
\$432	\$429	\$663

The Forest Service maintains a workforce with the skills and capabilities to deal with the natural and human-caused forces that affect our forests and grasslands. Effective management requires good-quality data, strategic planning, law enforcement, and facility maintenance. To streamline its efforts, the agency is moving toward standardization of inventory and monitoring information, as reflected in the strategic plan measures below.

Goal 5—Summary of Performance

Last year, the Forest Service met one of its three targets under Goal 5, and all results were on par with the previous year or improved. In FY 2009, the agency completed its third year of testing tools designed to assess the quantity and quality of data in corporate applications. The initial focus has been on assessing the completeness of selected data layers in agency Geographic Information System data sets. The agency fell short of the other two targets due to process adjustments and unexpected delays. The Forest Service continues to implement an integrated strategy for reducing the agency's environmental footprint. This strategy will be executed through achieving energy intensity reduction goals and implementing the agency's Environmental Management System and the USDA Sustainable Building Implementation Plan.

Improve accountability through effective strategic and land management planning and efficient use of data and technology in resource management.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of selected data in information systems that are current to standard	44%	46%	54%	64%	54%	Unmet	76%	78%	100%

Improve the administration of national forest lands and facilities in support of the agency's mission.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Percentage of administrative facilities that are being maintained to standard	64%	66%	63%	66%	66%	Met	68%	65%	75%
Percentage of newly reported encroachments and title claims administered to standard*	60%	NA	3%	10%	5%	Unmet	20%	20%	20%

NA = not available. This performance measure was discontinued; efforts are under way to develop a new performance measure and associated targets.

* Goal was adjusted from the previously published goal in the agency's strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Strategic Goal 6: Engage Urban America With Forest Service Programs

Goal 6 Resources (in millions)		
2007	2008	2009
\$35	\$33	\$35

The Forest Service has an integrated program of natural resources stewardship to better connect urban residents to public and private forested lands as a way of improving quality of life. The agency works to promote understanding and beneficial management of the urban forest through conservation education, community “greening” efforts, and youth programs. Partners at the Federal, State, and local levels improve the Forest Service’s understanding of what urban residents think of their local parks, nearby woodlands, and national forests and what they want from them. Through these partnerships, the agency builds connections between rural and urban communities.



Goal 6—Summary of Performance

In FY 2009, the Urban and Community Forestry (U&CF) Program continued to provide educational, technical, and financial assistance to communities for improving urban forest management. Communities facilitate this improvement, with Forest Service assistance, by hiring professional staff, developing policies and ordinances, developing forest management plans, and establishing community advisory groups. The States, U.S. territories, and District of Columbia reported assisting over 6,800 communities, where more than 173 million people live, with developing or established U&CF programs. This number of people represents approximately 75 percent of the population living in communities with the potential to develop programs to care for their urban forest resources.

Promote conservation education to increase environmental literacy through partnerships with groups that benefit and educate urban populations.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Number of people who annually participate in Forest Service environmental literacy programs and activities*	2,500,000	4,989,365	6,448,041	4,200,000	4,195,964	Met	10,000,000	10,000,000	10,000,000

* Goal was adjusted from the previously published goal in the agency’s strategic plan to take into account changes in direction and to more appropriately reflect accomplishment expectations for 2012.

Improve the management of urban and community forests to provide a wide range of public benefits.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Number of communities with developing or established urban and community forestry programs resulting from Forest Service assistance	6,564	6,326	7,139	7,200	6,853	Met	7,200	7,200	10,000

Strategic Goal 7: Provide Science-Based Applications and Tools for Sustainable Natural Resources Management

Goal 7 Resources (in millions)		
2007	2008	2009
\$101	\$102	\$99

The Forest Service conducts research and produces technologies to improve the health and use of our Nation's forests and grasslands. Science informs policy and land management decisions to help achieve desired outcomes. To accomplish this strategic goal, the agency focuses on organizational effectiveness of public and private organizations involved in natural resources management. Science for policymakers, wildland fire managers, and local communities ensures that knowledge generated by the Forest Service is transferred to communities.

Goal 7—Summary of Performance

Customer satisfaction increased in 2009, which reflects the agency's commitment to producing high-quality research and making it available to relevant audiences. The Forest Service Research and Development (R&D) team is considered a global leader for its research on ways to control major forest pests such as the emerald ash borer, hemlock woolly adelgid, and gypsy moth. In FY 2009, information based on Forest Service findings led the International Plant Protection Convention to revise guidelines for regulating wood packaging material for international trade.

In addition, the Forest Service climate change research program provides information and tools that land managers and



policymakers can use to address increasingly severe effects of climate change on forests and rangelands. One product developed by the Forest Service and its partners is the CarbonPlus Calculator that helps people estimate their carbon dioxide emissions. It provides tips on how to reduce their carbon footprint and helps them learn about the many benefits, in addition to absorbing carbon, that trees provide. Designed originally for the general public, the calculator has added features in the new 2009 version that are targeted specifically for businesses and government agencies to identify ways to reduce their emissions.

Scientists also developed and evaluated a method of satellite mapping for areas burned by wildland fires to support air quality forecasting and emission inventory development. The agency uses burned area data to develop wildland fire emission inventories. Expected outcomes facilitated by this research include improved State compliance with Federal air quality standards; improved forecasting of air quality; and feasible strategies for improving visibility in national forests, wilderness areas, and parks.

Increase the use of applications and tools developed by Forest Service R&D and Technology and Development Centers.

Performance Measure	Baseline	2007 Results	2008 Results	2009			2010 Target	2011 Target	2012 Goal
				Target	Results	Rating			
Customer satisfaction with R&D products and services (ACSI score)	72	72	72	73	75	Met	75	75	75
Number of patent applications filed	10	11	6	6	6	Met	6	6	13

ACSI=The American Customer Satisfaction Index, which assesses the satisfaction of private and other external customers with the relevance, usefulness, and accessibility of research and development (R&D) products and services.

Summary of Financial Information

The Forest Service produces a series of quarterly financial statements to summarize the activity and associated financial position of the agency. The four principal statements are as follows:

- Consolidated Balance Sheets.
- Consolidated Statements of Net Cost.
- Consolidated Statements of Changes in Net Position.
- Combined Statements of Budgetary Resources.

By producing these statements, the agency seeks to provide relevant, reliable, and accurate financial information related to Forest Service activities. Analysis of the agency's September 30, 2009, financial statements provides the following highlights, and the accompanying exhibits reflect the comparative amounts for FY 2009 and FY 2008.

Assets

Assets are the resources the Forest Service holds to meet its statutory requirements. As of September 30, 2009, the Forest

Service reports \$6.8 billion in assets, representing an increase of 17 percent from FY 2008 amounts.

Liabilities

As of September 30, 2009, the Forest Service had \$2.1 billion in liabilities, or probable future expenditures, based on past events. This amount represents an increase of 3 percent from FY 2008. The major liability amounts for Federal employee benefits, accrued liabilities, payments to States, and other categories of liabilities appear in the Liabilities table.

By law, Federal agencies cannot make any payments unless Congress has appropriated funds for such payments and the Office of Management and Budget has apportioned the funds. A portion of liabilities reported is currently not funded by congressional appropriations. The unfunded amount includes employees' annual leave (earned, but not yet taken) and Federal Employee Compensation Act benefits that are accrued to cover liabilities associated with employees' death, disability, medical, and other approved costs that have not yet been appropriated.

ASSETS (in millions)				
Asset	FY 2009	FY 2008	Differences	
			Dollars	Percentages
Fund balance with Treasury	\$5,146	\$4,066	\$1,080	27%
General property and equipment	1,359	1,375	(16)	(1%)
Receivables, net	210	303	(93)	(31%)
Total of major categories	\$6,715	\$5,744	\$971	17%
Other asset categories	47	31	16	52%
Grand total assets	\$6,762	\$5,775	\$987	17%

LIABILITIES (in millions)				
Liability	FY 2009	FY 2008	Differences	
			Dollars	Percentages
Federal employee benefits	\$421	\$406	\$15	4%
Other liabilities				
Accrued liabilities	721	567	154	27%
Payments to states	442	531	(89)	(17%)
Other categories	554	579	(25)	(4%)
Grand total liabilities	\$2,138	\$2,083	\$55	3%

A major program generating unfunded liabilities is Payments to States, which authorizes annual revenue-sharing payments to States for public schools and public roads in the county or counties in which the national forests are located. A portion of the Payments to States program is funded with agency receipts. The balance is recorded as an unfunded liability for which the U.S. Department of Treasury's general receipts are apportioned when the payments are made in the following year.

Net Position

As reported in the Statement of Changes in Net Position, the Forest Service reported unexpended appropriations of \$2.9 billion and cumulative results of operations of \$1.7 billion, an increase of \$932 million (25 percent) in net position from FY 2008. The increase from FY 2008 amounts is due to the Recovery Act appropriations.

Net position represents unexpended appropriations consisting of undelivered orders, as well as unobligated funds and the cumulative results of operations. In accordance with the Statement of Federal Financial Accounting Standards (SFFAS) 27, *Identifying and Reporting Earmarked Funds*, earmarked funds for which the Forest Service is responsible for program management are presented separately on the Statement of Changes in Net Position. Both earmarked and other fund totals are in-

cluded in Net Position table below. Unexpended appropriations reflect the spending authority made available by congressional appropriation but not used. The cumulative results of operations amount reflects the cumulative effect of financing in excess of expenditures and includes earmarked funds.

Net Cost of Operations

The net cost of operations for the Forest Service was \$5.9 billion in FY 2009, representing an increase of 1 percent from FY 2008 amounts. Earned revenue from the public includes such items as the sale of forest products (timber and firewood); recreation opportunities (campgrounds); mineral resources; livestock grazing; and special land use fees for power generation, resorts, and other business activities conducted on NFS lands. The Forest Service also performs reimbursable activities, such as work completed mainly for other Federal agencies, in accordance with the Economy Act and other authorities.

Expenses

Forest Service program costs were \$6.6 billion for FY 2009, representing a decrease of 2 percent from FY 2008. For FY 2009, the agency had a decrease in its Wildland Fire Management costs, which represent about 36 percent of all program costs.

NET POSITION (in millions)				
Net Position	FY 2009	FY 2008	Differences	
			Dollars	Percentages
Unexpended appropriations	\$2,966	\$1,970	\$996	51%
Cumulative results of operations	1,658	1,722	(64)	(4%)
Total net position	\$4,624	\$3,692	\$932	25%

GROSS EXPENSES (in millions)				
Responsibility Areas	FY 2009	FY 2008	Differences	
			Dollars	Percentages
National Forests and Grasslands	\$3,434	\$3,309	\$125	4%
Wildland Fire Management	2,385	2,661	(276)	(10%)
State and Private Forestry	412	407	5	1%
Forest and Rangeland Research	358	334	24	7%
Total program costs	\$6,589	\$6,711	(\$122)	2%

Summary of Key Management Challenges

The Reports Consolidation Act of 2000 requires USDA's Office of Inspector General (OIG) to identify and report annually on the most serious management challenges the Department faces. The OIG identified the following management challenges for the Forest Service for FY 2009:

- Implementation of strong, integrated control systems.
- Better Forest Service management and community action to improve the health of the national forests and reduce the cost of fighting fires.

During FY 2009, the Forest Service made significant progress in implementing corrective actions to address these management challenges. The Forest Service obtained an eighth consecutive "clean" audit opinion for the FY 2009 financial statements.

Implementation of Strong, Integrated Control Systems

In response to this challenge, the Forest Service will do the following to improve internal controls and management accountability:

- Conduct Washington Office oversight reviews on performance accountability in the regions and issue subsequent reports.
- Close 70 percent of open OIG and Government Accountability Office audits and audit recommendations.
- Implement corrective actions to close the remaining open audit recommendations related to the American Recovery and Reinvestment Act.
- Conduct annual systems self-assessment for all financial/mixed-financial systems.
- Conduct annual internal control risk assessment throughout the agency and develop plans to address identified risks.
- Implement corrective actions identified through the A-123, Appendix A (*Internal Controls over Financial Reporting*) process.
- Improve monitoring and management of critical firefighter positions.

- Strengthen the justifications for acquisition of capital assets (specifically aircraft).
- Develop a risk mitigation plan for the American Recovery and Reinvestment Act.

Better Forest Service Management and Community Action To Improve the Health of the National Forests and Reduce the Cost of Fighting Fires

In response to this challenge, the Forest Service will do the following to improve forest health:

- Obtain clarification on both the Forest Service and the States' protection responsibilities in the wildland-urban interface (WUI) and on other private properties that are threatened by wildfires. If States are responsible, provide direction and begin renegotiation of WUI protection responsibilities in large-fire suppression management in WUI. *Ref: OIG Audit No. 08601-44-SF.* Awaiting USDA Office of General Counsel decision. Fire and Aviation Management will provide direction after decision.
- Develop partnerships with States and counties to facilitate development of fire prevention ordinances for use in planning and zoning in WUI areas.
- Continue to develop tools for regions to use in assessing the risks of wildfires as part of the *Continuous Improvement in Decision Making* program.
- Continue to conduct large-fire cost reviews and implement corrective actions, as applicable.
- Using output from the improved Hazardous Fuels Prioritization and Allocation System, continue to work with other land management agencies and State and local governments to conduct hazardous fuels reduction projects in those areas where they will have the greatest effect on reducing risk.
- Direct human and physical resources to effectively address the changing environment of forest health and the expanding WUI.

Summary of Financial Audit and Management Assurances

Audit Opinion: Unqualified						
Restatement: No						
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
Total material weaknesses	0	0	0	0	0	0

