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Route To:

Date: June 2, 2022

Subject: Fiscal Year 2024 Project Selection Process for the Forest Legacy Program

To: Regional Foresters and IITF Director

REPLY DUE OCTOBER 3, 2022

The Fiscal Year (FY) 2024 project selection process for the Forest Legacy Program (FLP) will be competitive, merit-based, and coordinated by the Washington Office (WO). The Forest Legacy Program is funded through annual appropriations from the Land and Water Conservation Fund. The outcome from this process will be a ranked and prioritized list of FLP projects for consideration in the President's Budget. The process will be as follows below. State and Region/Institute specific deadlines and processes must be followed in addition to the National due dates indicated below.

Step 1: State Lead Agencies Submit Project Proposals to R/I

Due: September 23, 2022

States can submit up to three projects, not to exceed a total of \$20 million. Each Region and the International Institute of Tropical Forestry should notify State Lead Agencies of this deadline and ensure all proposed projects are entered into the Forest Legacy Information System (FLIS) by the due date. The State Lead Agency is responsible for data entry and accuracy. The Region/Institute is responsible for reviewing and validating the information for each project.

Outreach and communication with Tribes during project development is encouraged. Tribes have been important supporting partners for many projects.

All proposed projects **must** meet the following criteria:

- Complies with the [May 2017 Forest Legacy Program Implementation Guidelines](#), as amended (see *Part III – Project Eligibility and Selection*);
- Be reviewed, evaluated and selected by the State's Forest Stewardship Coordinating Committee and approved by the State Lead Agency;
- Be consistent with the goals of the States' Forest Legacy Assessment of Need as incorporated in the State Forest Action Plan;
- Be located within a designated Forest Legacy Area; and,
- Be sufficiently "ready" to be completed within 2 years of grant award.
- A Market Analysis has been completed for each tract in the project

States should provide the following information to the Region/Institute for each proposed



project:

- The project's priority rank, if indicated by the state (States may include priority ranking if more than one project is submitted, but it is not required);
- List of supporting tracts in order of priority, if applicable;
- Estimated total project costs (not to exceed \$20 million per state across 1-3 projects);
- Estimated non-federal cost-share, which must be at least 25 percent of the total project cost;
- Estimated costs of each tract rounded to the nearest \$5,000;
- Project description in FLIS;
- Project map in FLIS;
- Documentation supporting the readiness score provided in FLIS;
- Written letters of support for all supporting parties listed in the project proposal;
- If the proposed project falls within the boundaries of a designated Federal management unit a written letter of support from the applicable Federal Official. (Note: This letter should be updated if the project is a resubmittal or continuing phase.)

States are advised to draw down grants in a timely manner. Grant balances for current Forest Legacy project grants (already awarded) may impact final project ranking.

Each Region/Institute should provide the State Lead Agencies with the enclosed scoring guidance (Enclosure 1) to inform preparation of project proposals as it will be used by the National Review Panel to review and rank projects.

Changes to this year's scoring guidance include:

- Added *Carbon Sequestration/Climate Resilience* attribute under "Importance" to highlight alignment and interdependence between land conservation and ecosystem function, climate resilience and carbon management.
- Changed "Strategic" language, including edited Low/Medium/High definitions. Edits were made to allow for a greater range of scores between projects in this section.
- Added to Conservation Initiative, Strategy or Plan to 1) Further emphasize the importance of the projects impact to strategic efforts and not just that a project is within a geographic area of strategic focus, and 2) Clarify that the strategic section can call attention to new plans and plans under development.
- Added *Other Landscape Scale Goals & Public Benefits* attribute under "Strategic" to explain a project's contributions to the advancement of other large scale conservation goals and public benefits.
- Removed higher required readiness score for projects greater than \$7 million. In lieu of a required readiness score, the National Panel will apply a higher degree of scrutiny to all elements, including past performance and readiness.
- Removed the following due diligence/readiness criteria: "For

conservation easement properties, a stewardship plan or multi-resource management plan is completed.” WO is working to remove this component from FLIS. This will not be a scored component of readiness but is still required prior to project completion.

- Added a note in Importance about benefits to underserved communities. A definition of underserved communities follows that note.

Potential changes for future years:

- Additional clarification around expectations for project readiness, state capacity, and timely completion of projects after grant award.
- Updates to readiness criteria, including potential consolidation of due diligence components for clarity.
- Further consideration of project contributions and impacts to resilience and adaptation to climate change.

Step 2: Regions/Institute Send Project List and State Matrix to WO

Due: October 3, 2022

Each Region/Institute should send a letter summarizing the projects (often referred to as the “Regional Project List”) proposed by each state confirming all project details and requirements as described above have been met. The Region/Institute should also identify projects that must be funded in their entirety and cannot be phased.

In addition, each Region/Institute should evaluate the status of each states’ compliance with core program requirements, status and amount of outstanding project grants, past performance, and project readiness to inform the National Review Panel ranking process. Please provide a summary of this information using the matrix (Enclosure 2), and ensure all information provided is accurate and complete.

State Core Program Requirements - Each Region/Institute should evaluate and confirm each states’ fulfillment of the following FLP core program requirements. This evaluation must be done prior to submitting state projects for consideration to the National Review Panel. Core requirements include:

1. Completed baseline reports for all closed conservation easement tracts;
2. Completed forest stewardship plans or multi-resource management plans for all closed tracts;
3. Developed, and is adhering to, written conservation easement monitoring policies and procedures;
4. For conservation easement tracts, conducted annual monitoring for all closed tracts and recorded information in FLIS;
5. For fee simple acquisition tracts, has provided to Region/Institute a 5-year self-certification that management of tracts meets program purposes;
6. Addressed, or is in the process of addressing, all major conservation easement violations, and has recorded information in FLIS;
7. Implemented, and is adhering, to a record keeping protocol for all FLP tracts;
8. Developed, and is implementing, an action plan to address recommendations

in State Program Review;

9. Developed, and is implementing, an action plan to address recommendations in a Quality Assurance Inspection; and,
10. Is up-to-date on grant reporting requirements (Project and Administration).

The WO expects that the Region/Institute and state are collaborating throughout the year on program and project implementation. This reply due letter asks for the current status of information for all states and projects so that there is sufficient and consistent information on all projects and for all states during the annual project prioritization process. Prior to the due date, Forest Service WO and Region/Institute program staff will discuss any deficiencies in core program requirements to ensure consistent treatment of states' projects and will share the outcome with the state.

We expect each Region/Institute will work closely with the state to address deficiencies ahead of the national review process. States that are working to remedy deficiencies may still be allowed to submit project proposals if there is a written plan in place to meet the core program requirements in a timely manner. In the rare case a Region/Institute identifies persistent deficiencies in core program requirements, the Region/Institute may choose either to not submit the state's projects for consideration or notify the WO that the state's projects should not be reviewed and ranked by the National Review Panel.

Outstanding Funds and Past Performance - In addition to the core program requirements above, each R/I should provide the following information about outstanding funds and past performance:

1. List of open project grants, dates of grant awards, and amount of unspent funds (current as of the date of reply);
2. Unprocessed de-obligations or imminent project closings that will reduce a state's outstanding balance; and,
3. Average time to close for last three projects (data available in FLIS) and explanation for any project that exceeded 24 months.

Note: Updated data on outstanding funds which reflects the current status of projects will be pulled from FLIS as late as is practical to ensure the most current data is considered during the National Review Panel discussions. Planned for November 9, 2022.

The panel will evaluate outstanding funds as part of the development of the prioritized project list. States with outstanding grant funding that is three years or older (FY 2019 or older obligated grant funds) may not be placed highly on the prioritized project list. Regional submissions may include a rationale for considering projects when extraordinary circumstances exist for a state with three year or older obligated grant funding (FY 2019 or older). This information will be made available during the panel discussion. Outstanding grant funding information will be pulled from FLIS on November 9, 2022.

Also, states with greater than \$10 million in outstanding funds and/or multiple outstanding projects/tracts, regardless of age, may have their projects placed lower on the prioritized project list. For those states with outstanding grants, the Region/Institute should confirm the state has sufficient capacity to successfully undertake these additional

project grants and can complete the new proposed project(s) within two years after receiving grant award (if funded).

Project Readiness – The Region/Institute should obtain from the state, documentation in support of the readiness score identified in FLIS for all proposed projects. The Regions/Institute will provide this information to the National Review Panel on the state matrix. The larger the proposed funding request, the higher the degree of scrutiny that will be applied by the National Panel during review.

Step 3: WO Sends Project Briefs to the National Review Panel October 14, 2022

The WO will compile all project briefs from FLIS for distribution to the National Review Panel members by October 14, 2022. These documents will be the primary source of project information used by the National Review Panel to score and rank the projects. The package sent to panel members will include project briefing sheets, regional project lists, this letter, and the scoring guidance (Enclosure 1).

The National Review Panel will also receive the state-level information provided by each Region/Institute regarding core program requirements, outstanding funds, and past performance. This information will not be used by individual panel member for the initial scoring process but is considered by the full panel during the ranking process.

Step 4: National FLP Review Panel Meeting November 16 – 17, 2022

The WO will convene a National Review Panel to facilitate the development of a National Project List. The panel will include three Forest Service WO representatives, three Region/Institute Forest Service representatives, and six State Lead Agency representatives. The panel will review and rank the projects based on the scoring guidance (Enclosure 1).

If the National Review Panel considers a significant change to a submitted project (e.g., project phasing, funding reduction, or selection out of state priority order), an attempt will be made to consult with the affected state. Region/Institute and State Forest Legacy Program Managers should plan to be available during this timeframe to answer questions and provide information as requested by the National Review Panel.

Step 5: National FLP Project List Sent to OMB/Congress

The final project list will be submitted to the Forest Service State and Private Forestry Deputy Chief for approval. The Deputy Chief will then work with the Forest Service Director of Strategic Planning, Budget, and Accountability to provide the project list to the Office of Management and Budget and the House and Senate Appropriations Committees for budget consideration in accordance with current law, policy, and direction.

Step 6: Region/Institute and States Implement Funded Projects

Upon completion of the annual appropriations process, Region/Institute will issue project-specific grants to states for funding in accordance with the final project list. The grant period of an award will be two years. We expect all projects submitted by states to the

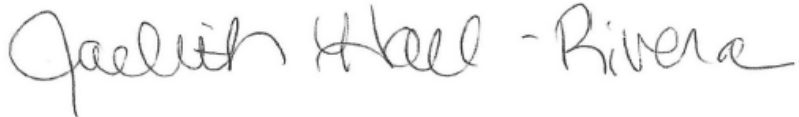
National Review Panel are sufficiently ready to be completed within this timeframe. States can request an extension beyond the two year grant period if challenges are encountered and an extension is warranted, but those situations should be the exception, not the norm.

Upon receiving grant funding, states must demonstrate to the Region/Institute they have made substantial progress on required due diligence within the first calendar year after grant award and confirm they are on track to complete within two years.

For projects that were either phased or received reduced funding than the original proposal, the state will proceed with implementing the portion of the project it can complete with the appropriated FLP funds. States can seek additional funding in a future fiscal year for a phased project, but they are expected to implement the funded portion of the project upon grant award, and not wait for future funding.

Project briefs provided to the National Review Panel are expected to be an accurate representation of the property. During project implementation, any changes to the project size, configuration, or the estate presented for funding consideration can only be made with the approval of the Region/Institute. If a project changes substantially from what was originally proposed, then project changes may also require additional review and approval by the WO and National Review Panel.

If you have any questions, please contact Scott Stewart, National Forest Legacy Program Manager, at (202) 465-5038.

A handwritten signature in dark ink that reads "Jaelith Hall - Rivera". The signature is fluid and cursive, with the first name "Jaelith" being the most prominent.

Jaelith Hall-Rivera

Deputy Chief, State and Private Forestry

Enclosures: (2)

cc: Scott Stewart, Claire Harper, Margaret Haines