

Region: Northern Region (Region 1)

Reporting Instructions: This is the Integrated Resource Restoration (IRR) Pilot Program report template for fiscal year (FY) 2014 (FY14). It incorporates slight changes from the FY13 template and may be modified in subsequent years of the pilot program. This template will be used to compile information for the final FY14 IRR Report to be posted to the Forest Service’s Restoration Website. Regional responses are **due to the Washington Office by November 14, 2014**.

The Secretary of Agriculture’s vision recognizes the role of healthy forests in enhancing water resources and maintaining resiliency within a changing climate. The Forest Service is aligning the budget structure to focus landscape scale restoration across deputy areas to support and accelerate the pace of a wide spectrum of restoration and resiliency enhancing activities. This emphasis merges programs previously separated out as forest products; vegetation and watershed management; fish and wildlife habitat management; non-WUI hazardous fuels; post-fire restoration and rehabilitation; and legacy roads and trails (including road decommissioning). Regions 1, 3, and 4 were selected as part of an Agency pilot program to demonstrate the advantages of merging multiple budget line items (BLIs) into one—National Forest Resource Restoration (NFRR).

The regions participating in the IRR Pilot (Regions 1, 3, and 4) will report on program achievements at the end of each FY. The FY14 reports will include overall perspectives on pilot implementation of IRR to date as well as annual accomplishments. Specific template changes for FY14 include edits to reduce repetition, elimination of case studies, and addition of responses describing lessons learned.

A. Accomplishment Reporting – Performance

1. FY14 Accomplishments

Table 1 – IRR Performance Measures (These numbers will be pulled from PAS by the Washington Office)

Performance Measure	Unit of measure	Target ¹	Total Units Accomplished ²	Percent Accomplished
Acres treated annually to sustain or restore watershed function and resilience	Acres	290,000	259,659	89.5%
Number of watersheds moved to an improved condition class	Number	3	3	100%
Miles of road decommissioned	Miles	277	327	118%
Volume of timber sold	ccf	570,000	566,970	99.5%
Miles of stream habitat restored or enhanced	Miles	457	477	104%

2. Priority Watersheds and Watershed Action Plans

- a) How many priority watersheds have been identified in the Region as of FY14?
 In 2011, we identified 26 priority watersheds. As of FY 14 we have completed work in 9 of those watersheds and 2 are in litigation. In order to continue improving watershed condition, we requested

¹ Target should match the target recorded in the Databases of Record.

² Units accomplished should match the accomplishments recorded in the Databases of Record.

each unit to identify at least 1 new priority watershed, complete a Watershed Restoration Action Plan (WRAP) and enter the priority into the Watershed Condition Assessment Tracking Tool (WCATT) database. During FY 14, the units added 14 new priority watersheds for a total of 40 Priority Watersheds.

- b) List the FY14 accomplishments for restoration activities identified in the Watershed Restoration Action Plans. (i.e. acres/miles of aquatic habitat improvement, acres of fuel treatments (thinning), acres of fuel treatments (prescribed burning), acres of meadow restoration, miles of road maintenance, miles of road improvement, acres of erosion control, miles of trail maintenance or realignment, acres of non-native plant removal.)

There is a wide variety of work identified in the Watershed Restoration Action Plans. Proposed essential projects include 25 acres and 26 miles of aquatic habitat improvement, 600 acres of fuels treatments (mechanical and prescribed burning), almost 600 miles of road decommissioning, 238 miles of road maintenance or improvement, 81 acres of erosion control, 33 miles of trail maintenance or realignment, and almost 30,000 acres of non-native plant removal. In addition exotic fish removal is planned in 3 stream reaches.

- c) What kind of progress has your Region made in completing restoration activities leading to improved watershed conditions since IRR pilot authority was initiated in 2012? Did IRR contribute to these improvements or the process? If so, please give examples.

The region completed implementation of 3 WRAPs in FY14, for a total of 9 improved watersheds in 3 years. An additional 31 priority watersheds are at various stages of implementation, from initial planning through final. Moose Drool is a fisheries project on the Idaho Panhandle National Forests that improved watershed conditions utilizing \$1.8 million dollars from a variety of funding sources, including NFRR.

B. Accomplishment Reporting – Regional Summary

The intent of consolidating multiple BLIs into NFRR is to provide the Agency the flexibility to focus maintenance, enhancement, and restoration activities on priority watersheds and/or other priority locations using a more efficient, integrated approach. Regions 1, 3, and 4 were selected to participate in the IRR Pilot Program to test this hypothesis. The focus on integrating various programs complements other ongoing efforts such as the Planning Rule revision, Collaborative Forest Landscape Restoration projects, travel management, and the Watershed Condition Framework, which are similarly anticipated to promote integration of various resource activities. The other regions were not authorized to consolidate BLIs but will continue to integrate programs within the existing limits of authority.

The following questions are designed to help evaluate whether the Pilot Regions gained flexibility, efficiencies, enhanced outcomes, and increased internal and external collaboration; and to highlight and understand any potential consequences or adverse impacts.

Narrative: Describe the decision-making process used to formulate priorities for FY14's program of work.

1. Why and Where on the Landscape –

a) How did your forest prioritize funding and work under IRR?

Regionally, NFRR was seen as an important tool to address long-term restoration plans and objectives. NFRR provides the units the flexibility to match the available funding and on-the-ground resource needs. The budget process described below collects the needed budget and accomplishment information needed to match funding and needs at the Regional level.

Across the Region, the NFRR Authority was applied judiciously to those program or resource areas and projects where the Region and the units identified the most potential in terms of target accomplishments, beneficial outcomes not traditionally captured through hard target numbers, and where the Authority could be used to leverage partner or other program funding and opportunities. We followed a process that melded a top-down and bottom-up approach to allocate funding to our units. This approach consisted of the following steps:

1. The RO collected proposed funding and accomplishment data from the Units. Data was collected for 3 scenarios.
 - Scenario 1 is 5% reduction from previous year allocation (RO provides funding level and Units provide proposed accomplishment)
 - Scenario 2 is previous year allocation (RO provides funding level and Units provide proposed accomplishment)
 - Scenario 3 is max capacity (unit provides both funding and proposed accomplishments).
2. Data was distributed to RO program managers to have them evaluate data for accuracy and acceptable range of unit cost. RO program managers worked with the Units if data issues were detected.
3. Net funding available to the Units was provided to all RO staffs by the Budget shop.
4. Budget coordinators used the net available from the Budget shop and information that was verified by program managers to develop draft operating budget.
5. NFRR steering committee (RRM, ENG & FAA Directors) evaluated the resulting draft operating budget.
6. NFRR steering committee made adjustments to the draft operating resulting from previous step if needed.
7. NFRR steering committee forwarded proposed operating budget to budget director for consideration.
8. Budget director presented proposed operating budget to RF. Adjustments were made to operating budget based on RF input.

9. Operating budget distributed to Units.

This process resulted in Forest's proposing their priority work and the Region, in turn, funding it within fiscal constraints. The Region tended to fund work that met national goals, where supported by a strong collaborative, leveraged funds, and promoted partnerships.

b) Any changes in your approach from previous years?

No, this is essentially similar to the process that we included in our FY 13 annual Report.

2. Priorities, Outcomes, and Outputs –

a) How have priorities for on-the-ground work changed since IRR pilots were initiated in 2012?

The Region has continued to facilitate the development of tools useful to Forests for the development of their priorities within the Regional context for priority work expectations. Forests continue to use their niche information as discussed in the 2013 report, as well as other tools such as the Integrated Restoration and Protection Strategy, the R-1 Bark Beetle Strategy, and landscape assessments. Continued augmentation of new information for these tools assists in dictating the shifting on-the-ground work mix.

The use of collaboratives, and increasing the collaborative process itself, continues to be an important ingredient for identifying opportunities that are key in meeting desired conditions and important resource goals in Region One.

Finally, we believe that some Forests within the Region have increased their attention in developing integrated projects, when compared to pre-authority projects, through the use of the combined NFRR BLI, Watershed Condition Class Framework, etc.

b) What were the expected outcomes (accomplishments) for FY14?

- Were these outcomes achieved? To what extent?

The 2014 IRR performance measures funded with NFRR essentially met expectations (See Table 1), including Timber Volume Sold. The one exception is that the Annual Acres of Watershed restored was approximately 90% of WO assigned target. The substantial increase in that performance measure target over FY 13 was not achievable in one year.

- In terms of outcomes vs. outputs, were efficiencies realized and activities effective?

Forests continue to build on the IRR concept, including the combined NFRR BLI and other tools to develop an integrated program. Attached to this report is one example from the Idaho Panhandle National Forests that provides a visual display of that forest's process of defining a program of work in an integrated manner. This tool is used to bring all disciplines together to define the Unit's priority work, determine the funding needed and determine the outputs and

outcomes generated from the priority work. Several other forests use a similar approach. This process represents an up-front investment in planning to develop an integrated program of work that meets both local priorities and contributes to regional target objectives. This example represents an efficient process within the IRR arena.

Program managers continue to fulfill their role to monitor the effectiveness of individual resource activities to insure that priority work is completed.

- Were the priority programs and/or priority work (targets/outputs) achieved? If not, why?

Yes, except for the watershed restoration acres as described above. The substantial increase in that performance measure target over FY 13 was not achievable in one year.

- Were there projects that were completed in FY14 that would not have been funded without the IRR authority?

Yes – an example is the year-end funding the Region received in NFRR that was distributed among identified high priority targets that the Regional Forester had identified. This increased the Regional attainment in such areas as noxious weeds, road decommissioning, and important aquatic work.

Region One continues to refine the use of the NFRR budget authority, as well as use other integration tools (i.e. stewardship contracting/agreements) to meet the intent of IRR. We will continue to use the same processes to define priority work, including desired outcomes and outputs, regardless if the IRR authority is renewed. Therefore, while the authority removes some of the inefficiencies, such as managing multiple BLI's, integrated projects can be developed without the Authority.

3. Flexibility, Advantages, and Disadvantages

- a) Did the IRR Authority increase or decrease flexibility in developing integrated projects? In what way?

Similar to our response of last year, having the IRR funding increased flexibility and integration because it avoids time spent reprogramming funds from one code to another to accommodate changing priorities. As was noted in the FY12 Summary with respect to our Roads management, the Authority supported the latitude of decision makers to apply funding and resources to increase the magnitude of the beneficial outcomes of management activities. This approach is increasing being used by Forests in other resource areas within IRR.

- b) Describe the advantages and disadvantages of a single, consolidated BLI (NFRR). Has this resulted in efficiencies? If so, please describe.

Forests in Region One continue to use the IRR authority to build both integrated projects as well as integrated programs. Combined with Regional and Forest leadership for expectations of the above, we

believe the behavioral change to meet both expected outcomes and outputs across a broad spectrum of resource areas that uses IRR authority is its greatest efficiency. **Disadvantages may include a significant investment in Forest Staff's time to build effective and cost-efficient projects within fiscal constraints.**

- c) Did you find cost savings under IRR? If so, where and how would you quantify them?

The Region has not collected any quantifiable data that demonstrates cost savings solely to the IRR authority. However, considering the unified targets that include NFRR funded projects, and other mechanisms such as stewardship contracting and service contracts that are funded through retained receipts, we believe that measurable targets are attained with less appropriated funding. This would lead one to believe that the integration through the IRR authority can reduce unit costs.

- d) For outcomes that are not well reflected by traditional output targets, was meaningful progress made? If so, how was this determined?

In FY 14, the Region continues to use the Forest Service Activity Tracking System to input data that indicates the traditional activities (such as harvest, juvenile tree thinning and reforestation) that also provide restoration/resiliency outcomes. See attached document #2 as an example. This method will also be used in monitoring our revised forest plan desired conditions, aspects of climate change, and other regional monitoring assessments.

While progress related to restoration/resiliency has been made at the local scale, meaningful progress at the large scale will be primarily achieved through the use of where wildfire contributes to beneficial outcomes.

- e) Under IRR, what advantages and disadvantages did your forest find when working internally and/or with partners? How have partners responded to IRR funding authority? To the emphasis on more integrated planning? To more focus on landscape scale restoration? Did the IRR approach increase or decrease collaborative understanding with existing/new partners?

Internally, individual forests in Region One continue to use the IRR concept, and the combined NFRR BLI, to develop integrated project and overall programs. One example is from the Idaho Panhandle National Forest (See attached document #1), where a forest-wide program of work is used with both the NFRR and other national forest system BLI's. This and other similar processes in the region, contribute to the integration of a forest-wide program of work. The IPNF estimates that approximately 60% of individual projects are integrated to the point of delivering a variety of resource outputs/outcomes on priority landscapes. This up-front investment of time can be viewed as an advantage (integrated projects/programs), but requires a large commitment to forest personal.

Most collaboratives recognize the intertwining of IRR and project integration. Several regional, and particularly national partners still view the IRR authority as a threat to their resource area, primarily concerned with reduction of funding for their program area of interest.

Most partners in Region One have embraced large-scale restoration, part of which can be attributable to IRR authority. Related factors such as large-scale assessment planning, Watershed Condition Class, stewardship contracting, have re-enforced to various partners the importance of well-designed projects. We believe that the collaborative approach in many areas have benefited due to this increased understanding.

- f) Describe any reasons that the FY14 IRR report does not reflect planned accomplishments or the work plan. Were there any challenges that caused actual accomplishments to differ from those previously outlined in the work plan?

The program development process discussed above, contributes to a robust work-plan that clearly defines expectations and provides a road-map for accomplishments. Challenges frequently arise between program-of-work and implementation, but these are not necessarily intrinsic to IRR and frequently reflect Unit capacity issues. In fact, the combined BLI does have a relationship to meeting the defined work plan more efficiently, when good oversight and accountability occur.

4. Addressing Challenges Associated with IRR Implementation

- a) Were there any new or continuing issues or difficulties in tracking funds and reporting accomplishments?

We are not aware of any new issues related to tracking funding or accomplishments. See discussion above concerning the need for through work-plan development that can provide a basis for project accountability. Reporting accomplishments continues to be a struggle due to work-force capacity and reporting complexities, including individual problems with databases-of-record.

- b) What cultural shifts are happening and what further changes should be considered to bring units in more alignment with IRR concepts?

Our view is that the individual forests are increasing comfortable with the IRR concept. Future enhancements will include:

- Increased integration of Regional Forester expectations and individual forests program of work. The FY 15 Regional budget capacity call was designed in part to address this.
- Continued work on revising Forest Plans in the Region.
- Continued communication with internals/externals on the accomplishments attributable to integrated projects, and the use of several tools to meet this (stewardship contracting, collaboration, watershed condition framework, etc.)
- Continued reporting of outcomes associated with funded work activities.

- c) How are units ensuring that priorities drive accomplishments while simultaneously meeting traditional outputs? Please give examples of successful programs.

The discussion of the IPNF budget process above is the example that we are using in this report. Here, Forest leadership is thoroughly engaged with resource program managers to meet their portion of regional targets, and addressing resource priorities and maintain fiscal accountability.

5. Other Measurable Activities Contributing to IRR

It is important to emphasize programs that are outside of the current IRR performance measures, but are funded through NFRR. In a short narrative, please highlight those activities that do not currently fall under an IRR performance measure, but whose performance is tracked by the Agency. In addition to the narrative, please list those activities and their FY 14 accomplishments. Below is a list of suggested activities. Add rows to the table below, as necessary, to accommodate all activities.

Table 2 – Additional Activities Contributing to IRR with trackable measures.

Performance Measure	Total Units Accomplished ¹
Miles of high clearance system roads improved	73
Miles of high clearance system roads maintained	293
Miles of passenger car system roads improved	46
Miles of passenger car system roads maintained	493
Miles of system trail improved to standard	0
Miles of system trail maintained to standard	0
Stream crossings constructed or reconstructed for aquatic organism passage	18
Acres of lake habitat restored/enhanced (unified accomplishment)	96
Acres of water/soil resources protected/maintained/improved (unified accomplishment)	10,770
Acres of terrestrial habitat restored/enhanced (unified accomplishment)	142,934
Acres of forest vegetation improved (unified accomplishment)	5,046
Acres of forestland vegetation established (unified accomplishment)	12,278
Acres of range vegetation improved (unified accomplishment)	32,907
Acres treated for noxious weeds/invasive plants on NFS lands (unified accomplishment)	51,077
Acres of hazardous fuels outside the WUI to reduce the risk of catastrophic wildland fire (unified accomplishment)	12,873

In a short narrative, please highlight those activities that do not currently fall under an IRR performance measure, and whose performance is **not tracked** by the Agency (i.e. water rights acquisition, Instream flows, air quality monitoring, water yield monitoring, pre-NEPA survey work to support Range NEPA grazing decisions,

¹ Units accomplished should match the accomplishments recorded in the Databases of Record.

implementation of Best Management Practices, T&E occurrences, vegetation conditions, biological diversity, etc.)

Regional and Forest activities not accounted for by NFRR performance measures are frequently funded “off the top” assuming that they are recognized priority work. This includes work shared by multiple units to meet regional priorities (seed orchard work for White Bark Pine), or work that is required to complete the entire task (Planning and NEPA compliance).

6. Feedback from Partners – What, if any feedback did you receive from partners?

We continue to receive comments similar to our FY 13 Annual Report, which is reproduced here:

*Generally, our regional partners and timber industry have been skeptical of the NFRR authority. Their issues revolve around the loss of funding transparency for individual performance measures (i.e. wildlife habitat improvement; timber volume sold) and the agencies continued commitment to these individual resource areas. **The nine performance measures contained in the watershed restoration performance measure are a particular concern of those constituencies that previously had been funded with separate BLIs.** Even with separate target assignments (i.e. timber volume sold), there is a concern that the program will not be funded to meet the assigned target, and that there is no indication of gained efficiencies for any particular program area (forest management, wildlife, noxious weeds, etc.).*

Potentially, results of target attainment in FY 14 may moderate those views.

C. Lessons Learned

Narrative: Each pilot region is expected to draw on experiences to date to describe lessons learned since beginning the IRR Pilot Program in 2012. Please provide narrative responses to the following questions and include specific examples:

1. Describe how IRR has affected project planning. Include information on internal and external collaboration and public engagement. Did the activities have greater impact on resource outcomes?

IRR has increased project integration. Internal and external collaboration has increased necessarily; to inform the integrated resource outcomes that is a desired component of IRR. However, **thorough integration as depicted here (internal/externals engagement) comes at the price of up-front investment costs and time.**

2. How has the way activities/projects were selected for funding changed since the IRR pilot was established?

Forests continue to program projects that will provide them the best integrated outcome within fiscal constraints, using a multitude of available tools to achieve this.

3. Has the use of consolidated BLIs under IRR enabled projects to be completed more efficiently or effectively to meet the desired resource goal(s)? If so, how?

Combined BLI permits (1) more efficient development of program of work to meet forest/Regional priorities and (2) reduce administrative needs for bartering of different BLI's to complete priority work.

4. Based on your experience, how could use of IRR authority be improved?

The separation of the fuels program between NFRR and WFHF should be examined. This includes program direction on where NFRR and WFHF can be used, and the inclusion of Fuels – non-WUI in the Watershed Acres Restored Annually. Managing the fuels program between two different BL's, and two hard target measures (WUI-Fuels and FP-Fuels –ALL) is challenging when the Non-WUI portion is in the Watershed Restored performance measure.

5. Illustrate the pros/cons of the IRR pilot from different team member perspectives. Are perceptions different for Regional Office program managers, staff officers on the forests, or technical staff on the districts?

Perceptions differ based on position within agency. Some RO Program Managers feel marginalized in that their particularly resource area may not produce similar outputs as in the past, although this is diminishing as compared to 2012. Most Forest Staff, and Forest leadership have recognized the benefits of IRR over the pilot period. District Staff opinions may be most variable – effective communication on IRR could provide a better understanding on the use of the IRR authority.

6. What are the greatest benefits you have seen associated with IRR authority?

Increase of integrated projects and recognition that the unified outputs and associated outcomes are the measure of success, rather than the funding source.

7. What have been the biggest challenges in implementing IRR?

Commitment of staff time to develop project and program integration that address both priority landscapes and smaller-scale priorities appears to be a consistent challenge to the Forests.

8. What guidance would you offer non-IRR regions in moving toward integrated resource restoration with or without IRR?

Similar results may be produced in non-NFRR pilot regions. The focus on integration can be achieved with or without the authority. Regional target objectives need to inform Forest programs, and Forest Programs must communicate their ability to meet such targets in a priority manner. Forests that have a good integrated program will accept the IRR concept quicker than those that don't. We have concluded that increased partnership between Regional Office and Forest Staffs increases the efficiency of IRR, and that highly functional

collaboratives can usefully inform integrated projects. Finally, that leadership and accountability are critical for a successful IRR program.

D. Planning Future Accomplishments – FY15 Accomplishments and Future NFRR Program Emphasis

1. FY15 Planned Accomplishments

Table 3 –FY15 IRR Planned Performance

Performance Measure	Unit of measure	Total Units Planned ¹
Total acres treated annually to sustain or restore watershed function and resilience	Acres	143,957 ²
Number of watersheds move to an improved condition class	Number	4
Miles of road decommissioned	Miles	298
Volume of timber sold	ccf	590,060
Miles of stream habitat restored or enhanced	Miles	440

2. Based on FY14 Experiences, how would you anticipate IRR affecting FY15 planning and accomplishments?

We believe that our 3-year budget process will provide a pathway to more effectively use NFRR to meet priority resource objectives. IRR has given us the opportunity to develop tools that help Units collect information in a collaborative fashion while building integrated projects that result in meeting Chief’s targets. This process is available upon request.

¹ Units planned should match the planned accomplishments recorded in the Databases of Record.

² Preliminary target assigned to units in FY 2015 Operating Budget. Additional assignments will occur at Final Budget.