



## Acquisition Appraisal Process Improvement

The Explanatory Statement- Division G- Department of the Interior, Environment, and Related Agencies Appropriations Act of 2023 included the following direction:

*The Service should examine ways to improve the appraisal process, including uniform Service-wide appraisal and real estate policies that provide consistency across regions and ensure delivery of timely appraisals, as well as effective, collaborative use of partners to improve efficiency and project success, allowing for third party contracting and other engagement where appropriate. The Service is directed to report to the Committees on appraisal program improvements within 90 days of enactment of this Act.*

### Background:

The Forest Service has a long and successful history of collaborating with land conservation partners. Our projects are fully accomplished 80% of the time with non-governmental land trusts. Partners bring resources, knowledge, networks, skills, and capacity that leverage agency resources and better enable us to complete our mission. Together, our success brings countless benefits to the American public, from expanding recreation access to mitigating wildfire risk to preserving watersheds.

Congressional support is critical for our program's success. We appreciate the bipartisan enactment of the Great American Outdoors Act in 2020, which fully funded the Land and Water Conservation Fund and signaled a long-term commitment to land conservation. At the same time, Congress directed the Forest Service to improve and ensure the consistency, efficiency, and timeliness of our appraisal and land adjustment processes. We've heard from Congress and our partners that we need to promote effective collaboration; improve consistency among regions and partnerships in acquisition; expedite essential process steps to ensure more timely acquisitions; and invest in and grow our partnerships in land conservation.

We acknowledge these challenges and recognize opportunities to improve program consistency and be better partners ourselves. Our efforts are part of an ongoing process to work with Congress to spend appropriated funds wisely, enhance partner relationships through consistent policy and practice, and identify better ways of doing business.

### Internal and External Dialogue:

Since the start of current year (CY) 2023 we've had and continue to host multiple internal and external conversations to better understand the concerns and needs, as well as identify solutions.

These engagements include:

- In February, national and regional lands leadership met to discuss agency appraisal policies and practices.
- In March, the following group met to discuss the agency’s appraisal program: all agency regional appraisers, Lands leadership, Department of Justice’s leading expert title attorney and chief appraiser, and key partners –Conservation Pathways, the Wilderness Land Trust, and the Pacific Crest Trail Association.
- In May, we conferred with leaders in the land conservation community - The Conservation Fund, the Land and Water Conservation Fund Coalition, The Nature Conservancy, and Conservation Pathways.
- In May, we began talking with the Forest Service Property and Procurement Services staff to daylight challenges and inconsistencies in how the agency handles appraisal related contracts, in order to confirm the authorities and flexibilities we already have and need to apply consistently.
- We are also speaking regularly with colleagues from the Department of the Interior. These include the Director of Great American Outdoors Act Program Management Office, the Director of the Office of Appraisal and Valuation, and the Chief of Real Estate for the US Fish and Wildlife Service.

#### Commitments and Current Actions:

The Forest Service commits to policies that support a collaborative and consistent approach to appraisals and land adjustment projects, including working with partners to efficiently execute land adjustment projects. Agency policy expressly authorizes the use of partnerships to carry out our land conservation work, including delivery of valuation services. Through a policy letter from the Deputy Chief of the National Forest System to the Regional Foresters signed on June 20,2023, we affirm our commitment to collaborative partnerships and consistency in policy implementation.

Where appropriate, we will follow up with changes to our directives, with updates provided to partners and the House and Senate Committees. Currently, we are:

- 1) Affirming agency policy which states that Authorized Officers, in consultation with Regional Lands Directors and Appraisers, have the authority to identify third parties as intended users of an appraisal.
- 2) Directing Regional Offices to work with the Washington Office to align practices for land adjustment projects, including release of appraisals, information sharing, and early communication to landowners and third-party facilitators regarding sequencing and efficiency of process steps and roles. Further detail is included in actions noted below.
- 3) Clarifying and maximizing contracting flexibilities, including to expedite the processing of appraisal contracts under \$10,000. This will enable 40% of our appraisal contracts to be completed in a few days, rather than a few months.
- 4) Addressing shared issues with the Department of the Interior. We are in dialogue with our Department of Interior counterparts listed above regarding our positions on intended users of appraisals, release of appraisals, and treatment of appraisals under the Freedom of Information Act. In the coming weeks, the USDA Office of General Counsel and the Department of the Interior’s Solicitor’s Office will meet to discuss these issues.
- 5) Directing our Regional offices to prioritize and maximize flexibilities to fill appraiser and realty specialist vacancies expeditiously.

### Forthcoming Changes in Policy and Practice:

In addition, we are taking action to improve the effectiveness and consistency of our program through the following actions. We will

- 1) Establish a practice that Regional offices must host comprehensive in-briefs with the Washington Office on highly visible or controversial projects under development. This will promote communication and shared understanding of agency policy and practice and allow us to identify and address potential challenges as early as possible.
- 2) Establish a Deputy Chief Appraiser position to enhance our capacity to provide oversight of our appraisal program, ensure consistency and efficiency across the regions, and support overall program management.
- 3) Modify Appraisal directives to provide that the Regional Lands Director, in consultation with the Regional Appraiser, shall make the determination whether to authorize contracting appraisal services through a third-party partner.
- 4) Modify Appraisal directives to provide broad discretion to the Regional Lands Director, in consultation with the Regional Appraiser, to share agency approved appraisals, as a normal course of business with parties of the transaction who have a reciprocal business relationship with the Forest Service. This business practice shall also be outlined in the Statement of Work.
- 5) Increase national oversight of land conservation practices: We will monitor land conservation practices agency-wide for consistent nation-wide application of policy through monthly national appraiser and realty adjustment leader meetings and annual National Land Adjustment Team reviews by the Washington Office.
- 6) Expand project data reporting: We will institute new metrics to track land adjustment projects at each stage. This will allow us to monitor progress and identify areas for improvement, including tracking timelines for appraisals and project implementation.
- 7) Consistently initiate work on land acquisition projects as early as possible: We commit to spend Land Acquisition Management funds on due diligence work such as surveys, title record searches, and environmental assessments for agency priority projects prior to appropriations being enacted. Project evaluation and initial review can take one to three years. We have found a best practice for proposed projects is to begin this work early, so that appropriated funds can be obligated as soon as enacted. We expect this shift and our early coordination with partners on this work will reduce overall project completion by six months to a year.
- 8) Consistently apply interdisciplinary team practices: We know from experience that project success is closely tied to early and continuous communication, both internally and with external partners and other stakeholders. Consistently practicing a team approach will allow us to identify potential challenges up front and better leverage partner relationships and resources.