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FOLLOW-UP REPORT ON THE DIVISION OF FORESTRY WITHIN THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

REVIEW ABSTRACT

The Department has taken some steps that we recommended and these actions have reduced its general revenue funding needs by approximately \$1.4 million. However, the Department has not taken steps that could produce an additional \$2 million in general revenue savings.

PURPOSE

Section 11.45(7)(f), F.S., requires agencies to inform us of actions they have taken in response to our recommendations within 18 months of the release of our reports. This follow-up report presents our assessment of the status of recommendations we made to the Department of Agriculture and Consumer Services in Report No. 94-11, dated October 25, 1995.

BACKGROUND

The Division of Forestry performs a variety of activities to manage and protect the state's timber resources. It detects and suppresses wildfires, manages state forests and other public lands, operates a tree seedling nursery, and provides forestry-related technical assistance services to local governments and landowners.

The Division was appropriated \$60.7 million for fiscal year 1996-97. Revenue sources include timber and pine seedlings sales as well as fees charged for certain program services including fire protection, recreation, technical assistance, and land management.

PRIOR FINDINGS

Although the Division is authorized by law to charge fees for its program services, it is largely funded by general revenue, which provided 59% of its funding in fiscal year 1996-97.

Our prior report found that the Division could reduce its need for general revenue by approximately \$2.7 million (in fiscal year 1993-94) by taking various steps. These included establishing fees for program services currently provided free of charge, increasing fees that did not cover its costs, and/or privatizing certain activities. Additionally, the effectiveness measures used by the Division did not assess program outcomes, making it difficult to evaluate Division performance.

CURRENT STATUS

The Division and the Legislature have taken some steps that we recommended, and these actions have reduced the Division's general revenue funding needs by about \$1.4 million. However, the Department could take additional steps that could produce another \$2 million in general revenue savings.

ACTIONS TAKEN

BY THE DEPARTMENT

The Division and the Legislature have taken four actions recommended by our report. These actions have had a combined fiscal impact of \$1.4 million.

Fee Stations. As we recommended, the Division has established self-service fee stations at six recreation sites in state forests. The new fee stations produced approximately \$12,000 in annualized revenue. The Division is planning to establish additional fee stations in the future.

Forestry Training Centers. As we recommended, the Division has resolved the \$14,000 operating deficit that existed for its forestry training centers at the time of our audit. The Division has cut its budget for center operations, has generally phased out one center, and has raised user fees. Together, these actions have had a fiscal impact of \$267,000.

Seedling Nursery. As we recommended, the Division has resolved the \$325,000 seedling nursery operating deficit that existed at the time of our audit. Due to increased product prices, expanded sales and some operating budget reductions, the nursery is now self-supporting. These actions have had a fiscal impact of \$313,000.

Urban Foresters. We recommended increasing the local government cost-share for the Division's urban and county foresters, and noted that the positions could be eliminated if local governments determined that the positions were not justified given this increased cost. The 1994 Legislature eliminated the 25 urban forester positions. This action produced a cost savings of \$854,000.

ACTIONS NOT TAKEN BY THE DEPARTMENT

While the Division has taken some of the actions we recommended, other options have not been acted upon that could produce significant general revenue savings:

Fire Protection Assessment. The Division's primary fee source for its fire protection services is a 3 cents per acre assessment that is paid by counties. The fee, paid on 19 million acres, was set in 1935. While this fee probably fully funded the state's wildfire protection services 60 years ago, it now covers less than 2% of program costs. The Division will spend approximately \$35 million providing wildfire protection services in fiscal year 1996-97, yet the fee produces only \$580,000 in revenue. Other southeastern states charge 5 to 10 cents per acre for wildfire protection services. Raising the current fee to 5 cents per acre would produce approximately \$380,000, while a 10 cents per acre rate would produce \$1,330,000 in additional revenue.

Forestry Assistance Services. The Division has 37 county foresters who provide technical assistance services to citizens and local governments under a cost-sharing arrangement. However, statutes currently limit the county share to \$3,000 per full-time position. This fee has not been increased since 1963. While the fee probably fully funded the positions 30 years ago, it currently covers only 8% of this salary and benefit cost

(\$109,000 of \$1.3 million). Amending s. 589.32, F.S., to establish a 50% cost share would reduce the Division's general revenue needs by \$545,000.

The county foresters also help developers and persons with private forest holdings to write, review, and revise land management plans. This service is available from private forestry consultants. During 1995-96, the foresters prepared 1,020 of these plans. Establishing a \$50 fee for this service would provide \$51,000 in revenue during 1995-96.

The potential fiscal impact of these unresolved options is identified in Exhibit 1.

Exhibit 1 Options for General Revenue Savings

Option	Fiscal Impact
Increase Fire Protection Assessment	
5 cents per acre	\$ 380,000
10 cents per acre	1,330,000
Establish 50% Cost Share for County Foresters	545,000
Establish \$50 Fee for Land Management Planning Services	51,000
	\$ 976,000 to
Total Potential Fiscal Impact	\$1,926,000

Source: Department of Agriculture and Consumer Services fiscal data.

PERFORMANCE MEASURES

While the Division has improved its performance measures since our audit, further improvements are needed. The Division provided 13 outcome measures in Exhibit D-2 of its Fiscal Year 1996-97 Legislative Budget Request. However, some of these measures reflected outputs such as the number of services provided rather than outcomes—the results of these activities. The Division should continue to develop measures that will assist the Legislature in assessing its performance and funding needs.

This project was conducted in accordance with applicable evaluation standards. Copies of this report may be obtained by telephone (904/488-1023 or toll free 800/531-2477), by FAX (904/487-3804), in person (Claude Pepper Building, Room 312, 111 W. Madison St.), or by mail (OPPAGA Report Production, P.O. Box 1735, Tallahassee, FL 32302).

Web site: <http://www.state.fl.us/oppaga/>

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