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General Accounting Office  
Washington, D.C. 20548

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Resources, Community, and  
Economic Development Division

B-279441

March 31, 1998

The Honorable Frank H. Murkowski  
Chairman, Committee on Energy and  
Natural Resources  
United States Senate

Subject: Forest Service: Review of the Alaska Region's Operating Costs

Dear Mr. Chairman:

This report responds to your request for information on the costs to operate the Forest Service's Alaska Region. The Forest Service provides its Alaska Region with annual appropriations for its operations, and the region further allocates these appropriations to cover the regional office's costs, the centralized field costs that fund activities that usually have regionwide benefits, and the costs of the four field offices at the Tongass and Chugach National Forests; the remainder is designated as reserves. This report provides you with information on (1) the region's allocation of funds for its operating costs for fiscal years 1993 through 1997 and estimated allocations for fiscal year 1998; (2) the nature, purpose, and allocation of centralized field costs and examples of which costs caused the centralized field costs to fluctuate from year to year, as well as the steps the Alaska Region is taking to comply with the limitation on the expenditures for the Alaska regional office and centralized field costs set forth in the Forest Service's fiscal year 1998 appropriations act; (3) the rationale for and the distribution of regional reserve funds; and (4) whether the appropriations for the National Forest System and for Forest and Rangeland Research were used appropriately to pay for work performed by the Pacific Northwest Research Station in connection with the revision of the Tongass Land Management Plan and for post-plan studies.

#### RESULTS IN BRIEF

The Alaska Region's operating costs ranged from \$108 million to \$127 million annually during fiscal years 1993 through 1997. The region allocated from 71 percent to 76 percent of these funds to the field offices for carrying out local programs, such as timber sale preparation or wildlife activities; 13 percent to 17 percent for managing regional office operations, including overall direction and support for field offices; 4 percent to 7 percent to centralized field costs that

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fund activities that usually have regionwide benefits; 2 percent to 5 percent for regional reserves; and 2 percent to 4 percent to State and Private Forestry operations.<sup>1</sup> For fiscal year 1998, the region's estimated allocations totaled about \$106 million to carry out regional programs.

Until fiscal year 1998, the Alaska Region used a category of operating costs, known as centralized field costs, as a means of improving efficiency by having one office—either the regional office or one of the field units—manage certain programs or activities for the benefit of multiple offices. The centralized field costs established by the region increased from about \$5 million in fiscal year 1993 to almost \$9 million in fiscal year 1997, and the number of programs or activities included in these costs fluctuated from 24 to 41 during the same period. The types and amounts of individual programs or activities within the total varied greatly as new efforts were undertaken or enhanced and others were completed or eliminated. Some centralized field costs, such as the National Finance Center's costs, were listed annually, but others, such as the cost to update the history of the Forest Service in Alaska, were 1-year initiatives.

The fiscal year 1998 appropriations act limited the Alaska Regional Office's expenditures for regional office operations and centralized field costs to \$17.5 million, unless the Congress was given 60 days prior notice. To comply with this legislative requirement, the Alaska Region eliminated the use of the centralized field cost category, included unallocated funds in regional reserve accounts until distribution requirements are determined, and separated the costs for the operations of the State and Private Forestry unit from those for the regional office.

The Alaska Region establishes reserves because of the uncertainty about the timing or the amount of funds needed for certain projects. Once the specific amount or responsible unit is determined, the region distributes the necessary reserves to the unit responsible for making the payment. In fiscal years 1995 through 1997, the Alaska Region distributed reserves ranging from \$6 million to \$12 million. The four field offices received from 87 percent to 98 percent, and the remainder went to the region for regional office operations.

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<sup>1</sup>For our analysis, the amounts provided to the State and Private Forestry operations in Anchorage—a separate organizational unit within the Forest Service—are shown as a separate category even though the Alaska Region's financial reports traditionally have included these amounts as part of the regional office costs.

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Beginning in fiscal year 1995, both the Alaska Region's portion of the National Forest System appropriation and the Pacific Northwest Research Station's portion of the Research appropriation funded the work performed by the Research Station scientists on the revision of the Tongass Land Management Plan and post-plan studies. Although we asked for information on the rationale for decisions about the funding split for the particular work performed by the research scientists, neither the Alaska Regional Office nor the Research Station provided us with adequate explanations or documentation. As a result, we could not determine whether the National Forest System and the Research appropriations were used appropriately or inappropriately for fiscal years 1995 through 1998.

ALASKA REGION'S OPERATING COSTS  
FOR FISCAL YEARS 1993 THROUGH 1998

Annually, the Forest Service receives appropriations to operate its nationwide programs. On the basis of these appropriations, the Forest Service allocates a portion to each of its regions to carry out the regional and field office programs. In the case of the Alaska Region, appropriations are further allocated to (1) the regional office, which provides overall direction and support for programs and activities in the region as well as funds for the State and Private Forestry unit, whose operations are located in Anchorage, Alaska; (2) the centralized field costs, which fund programs or activities that usually have regionwide benefits;<sup>2</sup> (3) the four field offices to operate "on the ground" programs; and (4) reserve accounts from which distributions are made during the year to the field offices. Table 1 portrays the Alaska Region's allocations to each of the organizational units for fiscal years 1993 through 1998.

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<sup>2</sup>The region eliminated the use of centralized field costs in fiscal year 1998.

**Table 1: Year-End Budget Allocations, Fiscal Years 1993 Through 1998**

Dollars in thousands

Budget categories	Fiscal year					
	1993	1994	1995	1996	1997	1998 <sup>a</sup>
Regional office <sup>b</sup>	\$17,512.5	\$18,726.4	\$17,912.5	\$15,672.0	\$16,453.4	\$18,749.4
State and Private <sup>c</sup>	2,585.9	1,988.1	4,368.9	3,561.0	2,568.0	4,153.7
Centralized field costs	5,017.8	5,653.2	6,139.5	7,283.4	7,619.0	0.0
Field offices	94,989.6	91,504.2	77,173.1	84,766.6	83,977.4	69,759.7
Reserves	6,508.2	3,184.6	2,567.5	6,294.6	5,610.8	13,386.2
<b>Total</b>	<b>\$126,614.0</b>	<b>\$121,056.5</b>	<b>\$108,161.5</b>	<b>\$117,577.6</b>	<b>\$116,228.6</b>	<b>\$106,049.0</b>
<b>Percentages</b>						
Regional office	14	15	17	13	14	18
State and Private	2	2	4	3	2	4
Centralized field costs	4	5	6	6	7	0
Field offices	75	76	71	72	72	66
Reserves	5	3	2	5	5	13
<b>Total<sup>d</sup></b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup>Based on the Alaska Region's Final Budget Allocation; the year-end statements were not available at the time of our review.

<sup>b</sup>Includes amounts for permanent appropriations, trust funds, and revolving funds.

<sup>c</sup>The amounts provided for the State and Private Forestry unit's operations in Anchorage--a separate organizational unit within the Forest Service--are shown as a separate category even though the Alaska Region's financial reports traditionally have included these amounts as part of the regional office's costs.

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<sup>4</sup>Totals do not add because of rounding

In the following sections, we will examine in detail the centralized field costs and the reserves cost categories and describe their nature, purpose, and how the Alaska Region has used them in overall operations.

### THE REGIONAL OFFICE USE OF CENTRALIZED FIELD COSTS

Until fiscal year 1998, the Alaska Region used a category of operating costs, known as centralized field costs, as a means to improve efficiency by having one office—either the regional office or one of the field units—manage certain programs or activities for the benefit of multiple offices. Centralized field costs include such activities as payments to the National Finance Center for payroll and accounting services and Unemployment Compensation expenses. The number of programs or activities included as a centralized field cost increased in both total numbers and amounts in fiscal years 1993 through 1997. The regionwide leadership team generally decided which costs would be centrally funded, the dollar amount to be allocated, and which office would manage the program or activity. As a component of the Alaska Region's overall operating budget, these costs averaged about 5 percent of the total.

Regional office budget officials viewed the use of centralized field costs as a means to better achieve efficiency because the costs of certain programs or activities generally would be managed centrally rather than by allocating each unit's share of the cost and then requiring each unit to pay its proportional amount. Field office officials cited both the advantages and disadvantages of using centralized field costs. Yet none of these field office officials could provide us with specific examples of how the use of centralized field costs negatively affected their operations or what more they could have accomplished if centralized field costs had not existed.

### All Organizational Levels Contributed to Creating Centralized Field Costs

Centralized field costs were established in two ways. First, the Forest Service headquarters—the Washington Office—designated certain programs as national priorities or allocated a portion of total national expenditures to the region. The regions, however, were provided flexibility in how they manage these funds. For example, in some instances the Washington Office designated a certain applicable portion of a national expenditure, such as for the National Finance Center's expenses or the Unemployment Compensation expense, that was more easily paid for by the regional office than by each field unit

accounting for and paying its requisite portion. In other instances, the Washington Office identified a certain program, such as National Resource Conservation Education, as a national priority and designated an amount of money for the region to administer this initiative. In these cases, the Alaska Region categorized these costs as a centralized field cost but allocated the funds to more than one field unit to account for and manage.

The second way a program or activity became a centralized field cost was through field or regional suggestions. Locally, staff in field units could submit proposals for which programs or activities should be included as a centralized field cost to their Forest Leadership Team, consisting of the field office supervisor, district rangers, and senior staff. The Forest Leadership Team then decided which proposals should be recommended to the Regional Leadership Team for inclusion in the regional centralized field costs. Field offices, through their Forest Leadership Team, recommended such programs or activities as the camp for natural resource education targeted to minority and Native American children and payment to the U.S. Geological Survey for monitoring stream flows on the national forest.

At the regional level, the Regional Leadership Team, consisting of regional program directors and the field office supervisors, selected the programs or activities to be managed as a centralized field cost. For example, among the programs and activities suggested by the region as centralized field costs were the revision of the Tongass Land Management Plan, the contract for providing counseling to employees, the development of an appraisal method for timber, and the funds paid to the Department of the Interior to establish rental rates for housing provided to Forest Service employees. (Enc. I identifies those programs or activities designated as a centralized field cost for fiscal years 1993 through 1997 and includes the organizational unit suggesting the program or activity.)

Both the regional office and individual field units manage centralized field costs. In many instances, the Regional Leadership Team decides to allocate the funds to the field unit and gives it responsibility for managing the program or activity. Table 2 shows the final budget allocations to each office to manage centralized field costs during fiscal years 1993 through 1997.

and that they could not provide us with information on the types of tasks performed by the scientists with National Forest System funds. They also could not provide us with any criteria, such as agency guidance or procedures, that were available in 1995 to make such a determination. In effect, when the Research Station scientists requested National Forest System funds for work on the Tongass Land Management Plan, the Alaska Region provided the funds requested, but it did not determine if the activities funded were a proper charge to the appropriation.

Nonetheless, the Alaska Region's Deputy Regional Forester for Operations, in a letter to us dated February 3, 1998, stated that all of the National Forest System funds provided to the Research Station scientists in fiscal years 1995 through 1997 were for work done in revising and implementing the plan and were appropriately chargeable to the region's portion of the National Forest System appropriation. The letter also referred to the fact that the effort was in keeping with the Intra-Agency Agreement; however, the Alaska Region and the Pacific Northwest Research Station did not sign the agreement until August 1996, nearly 2 years after this effort was started.

On March 4, 1998, the Alaska Region provided us with its final budget allocation for fiscal year 1998, and again we asked the budget officials for their justification for the charges to the National Forest System appropriation for the work of the Research Station scientists, including the documentation required by the August 1997 revision to the Forest Service's Service-Wide Appropriation Use Handbook.<sup>5</sup> These officials said that such a justification was not made and that they had not complied with the documentation requirements of the handbook.

#### The Use of the Research Appropriation

The Forest and Rangeland Research appropriation was provided by the Congress for Forest Service research stations to conduct, support, and cooperate in investigations, experiments, tests, and other activities necessary to obtain, develop, and disseminate the scientific information required to protect and manage forests and rangelands—research activities.

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<sup>5</sup>On August 28, 1997, the Forest Service issued an interim directive to its Service-Wide Appropriation Use Handbook that provides direction on jointly funded projects, including preparing financial plans and determining the appropriate funding allocations.

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We asked the Pacific Northwest Research Station staff, including the Science Manager for the Tongass Land Management Plan team, for justification as to whether the charges to the Research appropriation for the work of the Research Station scientists were proper and what criteria were used to make the determination. This official said that such a determination was not documented and that he could not provide us with adequate explanations of the types of tasks performed using research funds. Also, the official could not provide us with any criteria to make such a determination.

Nonetheless, the Research Station's Deputy Station Director advised us in a letter dated February 3, 1998, that all work associated with this effort from the Research appropriation represented an appropriate expenditure of funds. The letter also referred to the fact that the effort was in keeping with the Intra-Agency Agreement; however, as previously noted, the Alaska Region and the Pacific Northwest Research Station did not sign the agreement until August 1996, nearly 2 years after this effort was started.

On March 4, 1998, the Research Station provided us with the estimated budget allocation for fiscal year 1998, and again we asked the Pacific Northwest Research Station's Science Manager for justification for the charges to the Research appropriation for the work of the Research Station scientists, including the documentation required by the August 1997 revision to the Forest Service's Service-Wide Appropriation Use Handbook. This official said that such a justification was not made and that the Research Station had not complied with the documentation requirements of the handbook, although it is in the process of developing a procedure to address the handbook's requirements.

#### The Office of Inspector General Previously Reported on Similar Situations

The Department of Agriculture's Office of Inspector General addressed a similar issue in its May 1995 report dealing with the use of the National Forest System appropriation for research studies performed by the Forest Service research stations. The report pointed out that the Forest Service's directives did not provide clear guidance for determining the type of reimbursable work that research stations could do for other Forest Service units. Additionally, the Forest Service did not have adequate procedures for reviewing internal projects referred to research stations. According to the Inspector General's report, this situation resulted in unauthorized augmentation of the Forest Service's Forest and Rangeland Research appropriation.

On the basis of these findings, the Inspector General recommended that the Forest Service supplement the direction in its manual that provides guidance on the type of reimbursable work that research stations may perform for other Forest Service units and establish procedures for reviewing the work that research stations perform for other Forest Service units to ensure that it is in compliance with appropriations law and the direction in the manual. On August 28, 1997, the Forest Service issued an interim directive to its Service-Wide Appropriation Use Handbook that provides direction on jointly funded projects, including preparing financial plans and determining the appropriate funding allocations.

### CONCLUSIONS

The Congress has provided the National Forest System and Forest and Rangeland Research appropriations as the funding source for land management planning and for research work, respectively. Research stations may perform additional work funded by the National Forest System appropriation for land management planning activities, as long as that work is not research. Conversely, research stations may use the Research appropriation to fund research activities that may assist planners; however, the Research appropriation may not fund planning efforts—nonresearch tasks—that would normally be funded by the National Forest System appropriation. The use of one appropriation to accomplish the purpose of another is improper.

For fiscal years 1995 through 1997, neither the Alaska Region nor the Pacific Northwest Research Station scientists could provide us with written Forest Service guidance that could be used to determine which appropriation—National Forest System or Research—should have been used for the work done on the jointly funded revision of the Tongass Land Management Plan and post-plan studies. In addition, they could not provide us with documentation or adequate explanations of the rationale for decisions about the funding mix for particular activities. This lack of documentation continued into mid-fiscal year 1998, even though the Forest Service provided detailed guidance in late fiscal year 1997 on the documentation required for jointly funded projects.

Therefore, because of the lack of adequate explanations or documentation, we could not determine whether the National Forest System and the Research appropriations were used appropriately or inappropriately in fiscal years 1995 through 1998. This type of documentation is particularly important when projects, such as the revision of the Tongass Land Management Plan and post-plan studies, are jointly funded by two appropriations that were provided for

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specifically different purposes because the tasks funded by each must be identified and charged to the correct appropriation.

It is important that the Forest Service in general and the Alaska Region in particular have procedures in place to ensure that appropriations are made available only for their stated purposes and controls that ensure that the procedures are used throughout the Forest Service. This is particularly important in cases in which there are multifunded projects, such as the one we are discussing here.

RECOMMENDATIONS TO THE CHIEF  
OF THE FOREST SERVICE

We recommend that the Chief of the Forest Service direct the Alaska Regional Forester and the Pacific Northwest Research Station Director to fully comply with the Forest Service's August 28, 1997, direction on special Research funding situations, which requires the preparation of financial plans and documentation of the determination of the appropriate funding allocations, and establish procedures to ensure compliance with appropriations law Forest Service-wide.

AGENCY COMMENTS

We provided a draft of this report to the Forest Service for review and comment. We met with Forest Service officials, including the Budget Assistant, Research; Financial Planning and Management Assistant, Program Development and Budget Staff; and the Branch Chief, Fiscal Management/Audit and Evaluation, Financial Management. Based on this meeting, we made certain technical changes as appropriate and the Forest Service said it accepts our report as written.

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We conducted our review at Forest Service headquarters, its Alaska Regional Office, and the Pacific Northwest Research Station's Juneau Sciences Laboratory. We interviewed officials of each of these organizations as well as representatives of the field offices of the Tongass and Chugach National Forests. We reviewed and analyzed budgetary and appropriations records of the respective fiscal and budget staffs, although we did not independently verify the reliability of the financial data provided nor of the systems from which they came. We conducted our review from October 1997 through March 1998 in accordance with generally accepted government auditing standards.

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As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days from the date of this letter. We will then send copies to the Secretary of Agriculture and the Chief of the Forest Service and will make copies available to others on request.

If you or your staff have any questions about this report, please call me at (206) 287-4810. Major contributors to this report were Jill Berman, Linda Harmon, and John Murphy.

Sincerely yours,



James K. Meissner  
Associate Director, Energy, Resources,  
and Science Issues

Enclosures - 3

SUMMARY OF CENTRALIZED FIELD COSTS, FISCAL YEARS 1993 THROUGH 1997

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
National Finance Center	Washington Office	Payment to the National Finance Center for payroll and other department service costs.	\$574,200	\$804,000 <sup>b</sup>	\$749,900	\$846,000	\$872,600
Unemployment Compensation Fund	Washington Office	Payments made to the fund for unemployment compensation.	259,200	211,900	290,6000	368,100 <sup>b</sup>	378,600
National Resource Conservation Education	Washington Office	The Forest Service works with other groups to promote National Resource Conservation Education for all Alaskans.	76,000		62,000	62,000	44,000
Rural Development Economic Recovery	Washington Office	Rural Development Economic Recovery was started to assist rural communities to implement development opportunities in association with the Farm Bill.	374,200				
Smokey's 50th Birthday	Washington Office	To fund activities associated with Smokey's 50th birthday.	26,000	21,000			
International Forestry	Washington Office	To fund an agreement with Indonesia to work on long-term relationships with other countries. The emphasis is on technical exchange.		100,000			
Scenic Byways	Washington Office	Used to fund a special initiative of the great outdoors program to enhance the marine highway interpretative program.	11,800				
Recreation Short Course	Washington Office	Tuition assistance program for employees.	5,000	5,000			

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year					
			1993	1994	1995	1996	1997	
Timber Theft Task Force	Washington Office	Region's support for the task force effort to reduce timber theft.	180,000 <sup>c</sup>					
National Diversity	Washington Office	Program used to encourage women to work in the fire area.		30,000				
Ecosystem Management	Washington Office	Special project for fuels planning and development of out-year prescribed fire plans.		8,000				
Pacific West Manager	Washington Office	Regional share of a Forest Service representative needed to coordinate activities on the pacific salmon.			9,000			
Foundation Financial Information System	Washington Office	Development and implementation of the Forest Service's new integrated accounting system.				72,000		156,800 <sup>b</sup>
Continuing Education	Washington Office	Provides travel and tuition to employees for wildlife courses.						36,000
Head Tax	Washington Office	Assessment based on the number of employees in the retirement system to help fund the buyout program.						83,300
Union Representative	Joint Washington and Regional Office	Used to fund the expenses of the region's union representative.		8,300	26,300			63,900
Integrated Resources Inventory	Joint Washington and Regional Office	Major project consisting of three separate components: (1) replacement of existing vegetation map, (2) creation of permanent plot inventory, (3) common survey data structure projects.		800,000 <sup>b</sup>	1,894,200 <sup>b</sup>		1,850,000	927,700 <sup>c</sup>

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Civil Rights	Joint Washington and Regional Office	Used for travel and training of the representative selected to serve on the civil rights committee.			4,000	2,000	3,000
Regional Forester's Contingency Fund	Regional Office	Used to fund unexpected emergency projects that arise during the year.	100,000	100,000	100,000	100,000	88,000
Forest Service Information-- Pacific Northwest Research Library	Regional Office	Data retrieval service provided through the Pacific Northwest Research Library.	25,200				
Forest Service Library	Regional Office	Library service provided by the Pacific Northwest Research Library.	78,700	80,000	80,000	60,000	60,000
Subsistence	Regional Office	Costs incurred to prepare for federal regulation and management of the state's game species.	511,400	100,000 <sup>c</sup>			
Tongass Marine Highway	Regional Office	Interpretative service provided on the Alaska Marine Highway ferry system in the summer.	153,400	147,000	189,300 <sup>c</sup>		171,900 <sup>b</sup>
Tongass Land Management Plan	Regional Office	Preparation of the Tongass forest plan.	1,079,000	1,232,000	2,547,700 <sup>b</sup>	1,954,800 <sup>c</sup>	1,308,600 <sup>c</sup>

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Tongass Land Management Plan-Administrative Studies & Salaries	Regional Office	Specific studies performed for use in the Tongass forest plan. Studies also used by benefiting unit for information and management of affected resource --i.e., timber, wildlife, etc.				570,000 <sup>b</sup>	900,000 <sup>b</sup>
Concern Program	Regional Office	Contract for employee assistance program which provides counseling for depression, substance abuse, etc.	27,000	27,000	27,000	27,000	27,000
Contract with Alaska's Department of Natural Resources	Regional Office	The Forest Service must obtain a permit if its actions will affect tidelands that are managed by the state. This contract was to clear a backlog of necessary permits.	30,000				
Rural Development	Regional Office	To fund work with eligible communities to revitalize social, economic, and environmental conditions.	167,000 <sup>c</sup>				
State Revenue Sharing Grants	Regional Office	The state and local communities submit grant requests and selected projects are approved for funding. Examples include planting trees.	795,500	1,530,300 <sup>b,o</sup>			1,080,400 <sup>b</sup>
Pest Scout	Regional Office	State and Forest Service funded position that specifically looked for pests in Alaska.	21,000				
Remote Automatic Weather Station	Regional Office	A weather station used to forecast fire conditions in the state.	25,000	26,000			

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year					
			1993	1994	1995	1996	1997	
History of the Forest Service in Alaska	Regional Office	Update of an earlier book on the history of the Forest Service in Alaska.	130,000 <sup>c</sup>					
Scholarships	Regional Office	Education scholarships awarded to coop students employed by the Forest Service.		25,000	11,000	2,300	2,500	
Economic Strategies Contracts	Regional Office	Project to develop a new appraisal system for timber.		9,000				
Timber Information System	Regional Office	The Timber Information System is used to process timber stand information for silvicultural purposes.		50,000				
Alaska Desk	Regional Office	Position located in Washington, D.C., to provide information to congressional staff on Alaska issues.		40,000	40,000	40,000		
Quality Improvement Grants	Regional Office	Program used to provide incentives for the field offices to find ways to do things better.		25,000	56,000	56,000	50,000	
LOGS-Database	Regional Office	Project to develop a better way to track logs and volumes and improve log accountability.			50,100			
National Cruise Program	Regional Office	Project to improve the method used to measure the volume of wood in trees.			60,000			
Research Natural Areas	Regional Office	Used to establish Research Natural Areas and provide baseline monitoring.			32,000			

ENCLOSURE I

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Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Quarters Rental	Regional Office	The Forest Service provides funds to the Department of the Interior to establish rental rates for housing used by Forest Service employees.				2,800	2,300
Appraisal Evaluation Contract	Regional Office	Development of an appraisal method for timber.				100,000 <sup>b</sup>	25,000
Wetlands Inventory	Regional Office	Contract with U.S. Geological Service to identify wetlands in accordance with national guidelines.				40,000	20,000
Goshawk Habitat Study	Regional Office	Connected with the preparation of the Tongass Land Management Plan. Study to monitor goshawk nesting territories and describe habitat relationships.				75,000	
Marbled Murrelet	Regional Office	Study to evaluate the status and conservation needs of the species and to assess impacts on forest management.				30,000	
Administrative Study of Fish Economy	Regional Office	Connected to the Tongass Land Management Plan. A study to determine the economic impact of fish on the economy of Alaska.				13,700	

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Litigation Team	Regional Office	Cost of Forest Service para-legal employees who worked on the litigation associated with termination of the Alaska Pulp Corporation contract. In FY 1997, 20 percent of cost were for work on the Tongass Land Management Plan				810,700 <sup>b</sup>	786,200
Office of General Counsel Litigation	Regional Office	Travel funds provided to the Office of General Counsel employees to travel in connection with Alaska legal matters.				58,000	58,000
Management Improvement Team	Regional Office	Travel for a Management Improvement Team of field staff that meet quarterly to select Quality Improvement Grants for funding and discuss ways to improve quality of work accomplished.					6,000
Partnership Council	Regional Office	Partnership with a labor union that allows the representative to travel to meetings.					12,000
Check Scaling	Regional Office	Travel funds provided to a check scaler in another region to do surprise checks at remote Alaska locations. Region has no check scaler of its own.					20,000

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Ecological Unit Inventory	Regional Office	Project supports forest level programs and activities to meet quality standards and accomplishment targets from the Integrated Resources Inventory project.					40,000
Existing Vegetative Classification	Regional Office	Project Involves Landsat photographs to be used for timber type mapping from the Integrated Resources Inventory project.					25,000
Thematic Mapper	Regional Office	Project evaluates Landsat photographs for purposes of identifying vegetative classification, wildlife habitat, and wind disturbance probabilities from the Integrated Resources Inventory project.					120,000 <sup>b</sup>
Sedimentation Study	Regional Office	Study to evaluate the effects of road building on sedimentation.					100,700 <sup>b</sup>
Collaborative Stewardship	Regional Office	Project to get communities involved in management of the forest.					200,000 <sup>b</sup>
Inter-Regional Ecosystem Coordination Group	Regional Office	This group consist mainly of the Deputy Regional Foresters of the western regions. They select the plan of work to be done under the Integrated Resources Inventory project.					60,000
Inter-Regional Terrestrial Ecological Unit Inventory	Regional Office	Similar to the Inter-Regional Ecosystem Coordination Group but deals with terrestrial plants and animals.					16,500

Centralized field cost	Originating office <sup>a</sup>	Purpose	Fiscal year				
			1993	1994	1995	1996	1997
Chugach Marine Highway	Regional Office	Interpretative service provided on the Alaska Marine Highway ferry system in the summer.					35,500
Rural Development Coordination	Regional Office	Position established to assist communities with economic development due to KPC closure.					41,600
Copper River Delta Institute	Field Office	Partnership with Alaska's Department of Natural Resources to study sensitive species in the Delta.	75,000	75,000	75,000	75,000	75,000
U. S. Geological Survey	Field Office	Payment to the U.S. Geological Service for monitoring stream flows on the forests.	200,000	200,000	201,000	180,000	168,000
Elderhostel	Field Office	Interpretative service provided on the Alaska Marine Highway ferry system in the winter.	93,200	94,000	120,700 <sup>b</sup>		136,800 <sup>b</sup>
Career Camp	Field Office	Camp for natural resource education, targeted to minority and Native American children.		40,000	40,000		50,000
Chugach Land Management Plan	Field Office	Preparation of the Chugach Land Management Plan Revision.			575,100 <sup>b</sup>	500,000	667,000 <sup>b</sup>
Yale Study	Field Office	Forest health study dealing with insects and disease implications for long-term vegetative management.					60,000
<b>Total</b>			\$5,017,800	\$5,788,500	\$7,240,900	\$7,901,400	\$8,979,900

<sup>a</sup>In the case of the regional office or field office designations, that office suggested the cost as a centralized field cost. In the case of the Washington Office designation, it was the amount allocated by the Washington Office and the regional office chose to categorize the cost as a centralized field cost.

ENCLOSURE I

ENCLOSURE I

The Washington Office provides flexibility to the regions in determining whether the costs will be allocated among the various field units or whether the regional office will absorb the entire cost.

<sup>b</sup>This centralized field cost contributed to the greatest increases in costs from one year to the next and may include those centralized field costs funded for the first time.

<sup>c</sup>This centralized field cost contributed to the greatest decreases in costs from one year to the next. In those instances when a project was completed or unfunded in the subsequent fiscal year, the base year is annotated.

COMPARISON OF ALASKA REGION'S INITIAL AND FINAL BUDGET ALLOCATION FOR TIMBER SALES MANAGEMENT AND SALVAGE SALES, FISCAL YEAR 1998

Dollars in thousands and volumes in millions of board feet.

Budget allocation <sup>a</sup> and timber target	Washington Office Allocation	Regional Office	Centralized field cost	State and Private Forestry	Chugach National Forest	Ketchikan Area Office	Chatham Area Office	Stikine Area Office	Reserves	Total
Initial Budget <sup>a</sup>	\$24,235	\$2,873	\$1,066	0	\$250	\$6,440	\$3,854	\$6,816	\$2,936	\$24,235
Green target					0	92	43	65		200
Initial Budget <sup>a</sup>	\$2,148	\$118	\$25	0	0	\$624	\$274	\$316	\$791	\$2,148
Salvage target					8	10	3	7		28
Final Budget <sup>b</sup>	\$20,978	\$3,788	0	\$45	\$113	\$7,852	\$2,540	\$6,367	\$204	\$20,909 <sup>c</sup>
Green target					0	89	29	67		185
Final Budget	\$2,150	\$120	0	0	\$300	\$476	\$357	\$897	0	\$2,150
Salvage target					3	16	3	8		30

<sup>a</sup>The initial budget allocation is based on the region's proportion of the Forest Service's estimated appropriations if the President's budget were to be enacted. The region allocates the initial budget to the field units in August to provide the units with a general indication of how much they could be receiving when the appropriations are enacted. The final budget allocation, generally issued in January, includes the region's allocation to the field units after the appropriations have actually been enacted.

<sup>b</sup>The final budget allocation includes both the Washington Office allocation of \$20.3 million and \$637,400 in carryover amounts from fiscal year 1997.

<sup>c</sup>In addition, \$69,800 is being proposed for reprogramming.

SOURCE OF FUNDING FOR WORK PERFORMED BY THE PACIFIC NORTHWEST RESEARCH  
STATION SCIENTISTS ON THE PLAN REVISION AND POST-PLAN STUDIES

Fiscal year /appropriation	Plan revision	Post-plan studies	Total
<b>1995</b>			
National Forest System	\$463,000	\$0	\$463,000
Forest and Rangeland Research	344,000	30,000	374,000
<b>Total</b>	<b>\$807,000</b>	<b>\$30,000</b>	<b>\$837,000</b>
<b>1996</b>			
National Forest System	\$338,000	\$232,000	\$570,000
Forest and Rangeland Research	394,000	282,000	676,000
<b>Total</b>	<b>\$732,000</b>	<b>\$514,000</b>	<b>\$1,246,000</b>
<b>1997</b>			
National Forest System	\$401,000	\$499,000	\$900,000
Forest and Rangeland Research	100,000	308,000	408,000
<b>Total</b>	<b>\$501,000</b>	<b>\$807,000</b>	<b>\$1,308,000</b>
<b>1998</b>			
National Forest System	0	\$900,000	\$900,000
Forest and Rangeland Research	0	450,000	450,000
<b>Total</b>	<b>0</b>	<b>\$1,350,000</b>	<b>\$1,350,000</b>
<b>1995 to 1998</b>			
National Forest System	\$1,202,000	\$1,631,000	\$2,833,000
Forest and Rangeland Research	838,000	1,070,000	1,908,000
<b>Grand total</b>	<b>\$2,040,000</b>	<b>\$2,701,000</b>	<b>\$4,741,000</b>

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