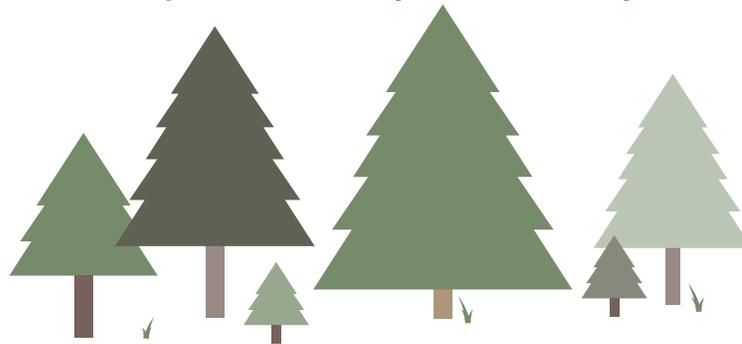


Improving California's Forest and Watershed Management

-  **Forests Provide Critical Statewide Benefits for Water Supply, Climate Change Mitigation, and Wildlife Habitat.** A changing climate increases the importance of maintaining this beneficial role.
-  **Nearly All Forestlands in California Are Owned by the Federal Government (57 Percent) and Private Entities (39 Percent).** This increases the importance of collaborative management efforts.
-  **Most of the Forests Across the State Are in an Unhealthy Condition.** Forests display excessive vegetation density and unprecedented levels of tree mortality.
-  **Broad Consensus That a Suite of Activities Is Needed to Improve Forest Conditions.** Management activities include mechanical thinning, prescribed burning, and meadow restoration.

Comparing the Potential Impacts of Healthy and Unhealthy Forests

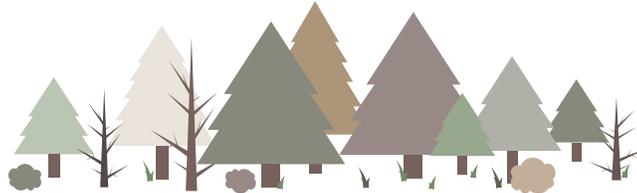
HEALTHY



Sporadic small trees and brush, comparatively more large and older trees, 40-60 trees per acre

- Smaller and less intense wildfires.
- Increased forest resilience to pests, drought, and disease.
- Greater mitigation against climate change.
- Protected and potentially increased water supply.

UNHEALTHY



Prevalent small trees and brush, comparatively fewer large and older trees, 100-200 trees per acre

- Increased risk of severe forest fires.
- Less resilient forests, large numbers of dead trees.
- Loss of carbon sequestration benefits, potential increase in emissions.
- Threats to water supply and quality, and to hydropower generation.

Improving California's Forest and Watershed Management

LAO RECOMMENDATIONS

Improve and Increase Funding and Coordination.

- Recognize the statewide benefits that healthy forests can provide by maintaining at least the current level of funding—\$280 million annually—for projects to improve forest health.
- Take steps to generate additional investments from downstream beneficiaries by (1) requiring the State Water Project to make an annual spending contribution, (2) appropriating \$2 million for pilot projects for local water and hydropower agencies to conduct wildfire cost-avoidance and cost-benefit studies, and (3) modifying grant criteria for the Integrated Regional Water Management program to encourage spending on watershed health projects.
- Designate CNRA—rather than CalFire—as the lead agency to oversee proactive forest and watershed health funding and initiatives.
- Ensure that future spending is based on clear prioritization criteria that targets funds to maximize statewide benefits, in particular by promoting larger projects.

Revise Certain State Policies and Practices to Facilitate Forest Health Activities.

- Allow the sale of timber without a timber management plan in specific cases when the primary purpose of the project is forest health in order to help offset the costs of beneficial forest thinning projects.
- Direct CNRA to submit a report proposing options for how the state might streamline forest health project permitting requirements.

Improve Landowner Assistance Programs to Increase Effectiveness.

- Allocate funding to CalFire for additional forester positions to increase the department's use of prescribed fire through its Vegetation Management Program.
- Restructure California Forest Improvement Program payments to reduce the burden on small landowners by providing partial payments in advance of work being undertaken.

Expand Options for Utilizing and Disposing of Woody Biomass.

- Support the development and incentivize the use of nontraditional wood products by appropriating funding for a pilot grant program.
- Increase opportunities for disposing of biomass by (1) requiring CalFire and CARB to analyze when burn permit requirements could be eased and (2) appropriating funding to purchase additional air curtain burners based on an analysis by CalFire.

CNRA = California Natural Resources Agency; CalFire = California Department of Forestry and Fire Protection; and CARB = California Air Resources Board.

For more information contact: Ashley Ames, Ashley.Ames@lao.ca.gov, (916) 319-8352
Rachel Ehlers, Rachel.Ehlers@lao.ca.gov, (916) 319-8330