



GOALS & OBJECTIVES State Fiscal Year 2012 Trust Land Management & Forestry Divisions





MONTANA DNRC FORESTRY & TRUST LAND MANAGEMENT DIVISIONS



The Forestry and Trust Land Management Divisions within the Montana DNRC are comprised of seven program areas: Real Estate Management, Forestry Assistance, Fire & Aviation Management, Minerals Management, Agriculture and Grazing, Forest Management, and Business Management. Through delivery of these programs, the two divisions accomplish substantial work over the course of the year that results in a variety of benefits for Montanans, including protection of forests, rangelands and communities from wildfires, revenue from forest management, mineral leases, permits and other activities for trust beneficiaries, and stewardship of private forest lands through education, financial and technical assistance for private landowners. All of our work is done with employee and public safety, cost-savings, and organizational efficiency in mind. This brochure provides a description of the goals for the two Divisions for the year, along with the high-priority, quantifiable work we plan to complete during the year.

GOAL: BE THE EMPLOYER OF CHOICE BY CREATING AND SUSTAINING AN ORGANIZATIONAL CLIMATE THAT ATTRACTS QUALITY APPLICANTS, WHILE DEVELOPING AND RETAINING OUR EXISTING WORK FORCE.

The people of the Montana DNRC are its most valuable resource. We will complete the following key objectives in SFY12:

- ◆ Review Pay Plan 20 Rules and update consistent with Dept. of Administration and DNRC direction.
- ◆ Conduct on-going performance management with all division employees, with a goal of 95% of employees having timely and accurate appraisals.
- ◆ Identify annual award winners by September 1, 2012.
- ◆ Evaluate current performance appraisal tool and review/modify in consultation with the DNRC Human Resources Advisory Committee. Select a new electronic performance management tool by December, 2011.
- ◆ Identify, develop, retain and recruit highly-qualified employees to accomplish division mission. Establish goal of filling mid- and upper-level job vacancies with internal candidates at least 50% of the time.
- ◆ Develop and implement "Leadership DNRC" program by October, 2011.
- ◆ Complete annual succession planning analyses by June 2012.



DNRC Forestry and Trust Land Management Division programs seek to protect and manage Montana's natural resources for the benefit of current and future generations.

GOAL: ENHANCE ORGANIZATIONAL EFFECTIVENESS AND ACCOUNTABILITY THROUGH APPROPRIATE DEVELOPMENT AND IMPLEMENTATION OF ACCOUNTING, INTERNAL CONTROL, AND INFORMATION TECHNOLOGY PROCEDURES.

The Forestry and Trust Land Management Divisions seek to improve organizational effectiveness and accountability by completing the following in SFY12:

- ◆ Develop written procedures documenting accounting by trust (ABT) processes and timeframes for Trust Land Management Division programs. Complete procedures by March, 2012.
- ◆ Develop annual work plans and revenue projections by May 15 to ensure indirect costs by trust are hard-wired into SABHRS prior to the start of the FY.
- ◆ Develop quarterly revenue projections by trust beneficiary (September, December (2011), and March, June (2012)).
- ◆ Conduct field audits of fire costs, and contracting procedures for fire operations.
- ◆ At mid-year, update trust revenue forecasts and assess costs by trust to ensure sufficient funding is available to cover each trust's costs and to meet beneficiary expectations. Adjust work plans as necessary to achieve objectives.
- ◆ Report expenditures and accomplishments to federal funding agencies on a quarterly basis.

GOAL: EXERT LEADERSHIP IN THE STEWARDSHIP OF MONTANA'S NATURAL RESOURCES.

We seek to set the best example of responsible stewardship of Montana's natural resources. Key projects in SFY12 — by program area — include:

Forest Management

- ◆ Issue Final Decision on the Montana DNRC Forested Trust Lands Habitat Conservation Plan & Environmental Impact Statement and receive the Incidental Take Permit from the U.S. Fish & Wildlife Service by December 31, 2011.
- ◆ Complete annual monitoring projects on state forest lands in accordance with Forest Management Rules and the proposed Habitat Conservation Plan. Utilize data to demonstrate effectiveness of the forest management program in meeting resource protection objectives and to design future timber sale projects.
- ◆ Sell approximately 55.1 mmbf of timber and conduct weekly timber sale inspections on 40-45 active sales across approximately 15,000 acres. Take corrective action to address deficiencies.
- ◆ Begin implementing a digital enterprise system (DES) in Trust Land Management Division. The goal is to improve the quality and availability of data and information used to develop budgets, work plans, conduct project analyses and make land management decisions. The DES will facilitate organizing and streamline work flows, database management and project management.

Fire & Aviation Mgmt.

- ◆ Complete statewide map of the wildland urban interface; post maps to department website by December 31, 2011.
- ◆ Meet goal of suppressing 95% of all fires at 10 acres or less on DNRC direct protection.
- ◆ Conduct annual fire training courses for 1800 firefighters.
- ◆ Develop, redevelop and maintain 400+ pieces of fire suppression equipment statewide under the County Co-Op Fire Protection Program; annually develop new

wildland engines for local government and DNRC use on fire suppression response.



DNRC's Equipment Development Center will build 14 new engines in SFY12 to deliver to Montana counties as part of the County Cooperative Fire Program.

- ◆ Support statewide fire prevention (Keep Montana Green, FireWise, FireSafe Montana, Fire Ready Montana, and Ready Set Go!) through participation in community events, providing financial assistance through grants, and serving on state and local committees.
- ◆ Conduct fire investigation as necessary to determine fire cause and if suppression costs are billable.
- ◆ Administer Federal Excess Property Program (FEPP) and the Firefighter Property Program (FPP) to acquire equipment for DNRC and county cooperators.

Agriculture & Grazing

- ◆ Conduct approximately 965 agricultural and grazing renewal evaluations covering roughly 505,000 acres by October, 2012. Take corrective actions on leases with identified management issues.
- ◆ Complete rules by 2012 to implement new grazing fees.
- ◆ Manage recreational use on trust lands by providing information to the public and, where appropriate, posting tracts with signage to regulate road use and to identify restrictions & closures. Issue special recreational use licenses; coordinate enforcement efforts with Montana Department of Fish, Wildlife and Parks.

Forestry Assistance

- ◆ Monitor state Best Management Practices (BMPs) through review of 45 sites and report results by December, 2012.
- ◆ Manage 53 state and federal grants to private landowners, communities, and organizations totaling roughly \$8 million.
- ◆ Support the Montana Tree Farm Program.
- ◆ Continue aerial detection surveys and provide guidance in state response to forest pest management priorities.
- ◆ Work with the wood products industry and state & federal agencies to retain and enhance Montana's industry infrastructure.
- ◆ Produce and sell at least 925,000 conservation seedlings at the nursery in Missoula.



DNRC Conservation Seedling Nursery

- ◆ Administer statewide urban forestry program, including Arbor Day celebrations, and distribute grants to communities.
- ◆ Assist with delivery of EQIP financial assistance grants offered by the Natural Resource Conservation Service for private forest owners.
- ◆ Manage 2200 Slash and Debris Hazard Reduction Agreements to minimize fire risk following timber harvest on private lands.
- ◆ Provide information/education, technical and financial assistance to a minimum of 1,000 family forest owners across Montana.
- ◆ Continue to build state Woody Biomass

Program to assist private sector with implementation of utilization projects including renewable energy opportunities.

Real Estate Mgmt.

- ◆ Conduct 70 cabin/home site lease inspections by August 2012. Take corrective actions on leases with identified management issues.
- ◆ Acquire access to approximately 15,000 acres of state land. Sell approximately 5,000 acres of land via land banking, complete exchange with TNC to acquire north Swan lands (14,500 acres)
- ◆ Complete the rule-making processes by January 2012 for navigable rivers management (SB 35), cabin site leasing (SB 409), and land banking.

Minerals Management

- ◆ Conduct leasing, permitting and management of approximately 6,000 oil and gas, metalliferous, non-metalliferous, coal, sand and gravel agreements on 2.3 million acres of school trust lands and approximately 2,400 acres of other state-owned land throughout Montana.

Business Management

- ◆ Oversee facilities construction, remodel, and maintenance for DNRC owned or leased sites statewide.
- ◆ Direct fiscal procedures related to fire suppression, including cost recovery, FEMA grants, and interagency cost-sharing/fire billing.
- ◆ Maintain and account for expenditures of general fund, state special revenue, and federal funding.
- ◆ Ensure implementation of appropriate internal controls related to Government Accounting Practices and appropriate state and federal fiscal policies.

Special Projects

- ◆ Conduct strategic planning across all program areas and field units to ensure alignment with Department goals.
- ◆ Promote collaboration on federal forest policy at local, state, regional and national levels.

- ◆ Implement Forestry and Trust Lands portions of the IT work plan, including a plan for storing and managing TLMD files, records and deeds electronically.
- ◆ Begin implementing a digital enterprise system (DES) within Trust Land
- ◆ Complete third party review of Forestry/Trust Land Management business
- ◆ Management Division. The goal is to improve the quality and availability of data and information used to develop budgets, work plans, conduct project analyses and make land management decisions.
- ◆ Develop outreach materials for programs and services, including the web interface to educate and inform stakeholders.
- ◆ management practices by reviewing organizational structure, communications, decision making and budget practices.

GOAL: ESTABLISH EFFECTIVE COMMUNICATIONS PROTOCOLS TO ENHANCE INTERNAL AND EXTERNAL RELATIONSHIPS.

The DNRC strives to be a transparent organization which engages stakeholders, partners and the public. To this end, we have identified the following key areas to focus our efforts in the coming fiscal year:

- ◆ Through the Montana Environmental Policy Act, scope interested stakeholders on state land and minerals management projects. Utilize public input to identify issues and develop alternatives.
- ◆ Conduct annual meetings with Fish, Wildlife & Parks recreational wardens in Regions 1 and 3 to develop work plans, review recreational use rules/statutes, and coordinate outreach and enforcement actions.
- ◆ Expand outreach with the Montana University System (MUS) beneficiaries. Work with staff to develop an Asset Management Plan for the five MUS trusts.
- ◆ Participate in the implementation of the DNRC public information policy, including development and dissemination of public information and media products at least quarterly.
- ◆ Partner with the Montana Forest Stewardship Committee and MSU Forestry Extension to conduct Forest Stewardship Workshops and develop family forest landowner management plans.
- ◆ Celebrate Arbor Day in communities across Montana.
- ◆ Partner with the US Forest Service to compile, prepare and distribute the Montana Forest Health Conditions report annually.
- ◆ Develop four projects through the Montana Joint Forestry Team with the NRCS, local Conservation Districts, MSU Extension and the US Forest Service.
- ◆ Publish the Montana Woody Biomass Utilization Strategy, developed by a diverse working group, by August, 2011.
- ◆ Assist with implementation of HJR 6 to celebrate Forest Products Industry Week in October 2011.
- ◆ Engage advisory groups to seek ways to improve programs for individuals, communities, stakeholders and partners statewide.

GOAL: MANAGE MINERAL AND SURFACE RESOURCES TO PROVIDE APPROXIMATELY \$94 MILLION IN GROSS TRUST REVENUE CONSISTENT WITH FIDUCIARY DUTY AND LEGAL COMMITMENTS.

The following revenue goals have been established for SFY12 by program:

- ◆ Generate \$23 million in gross non-distributable royalties and \$8.5million in gross distributable revenue in Minerals management.
- ◆ Generate \$20 million in gross distributable revenue in Agriculture & Grazing.
- ◆ Generate \$7.75 million in gross distributable revenue and \$3.5 million in proceeds from land sales in Real Estate Management.
- ◆ Generate \$7.2 million in gross distributable revenue through Forest Management.
- ◆ Generate \$1 million in gross distributable revenue in Recreation.
- ◆ Distribute \$23 million in interest generated from various permanent funds.

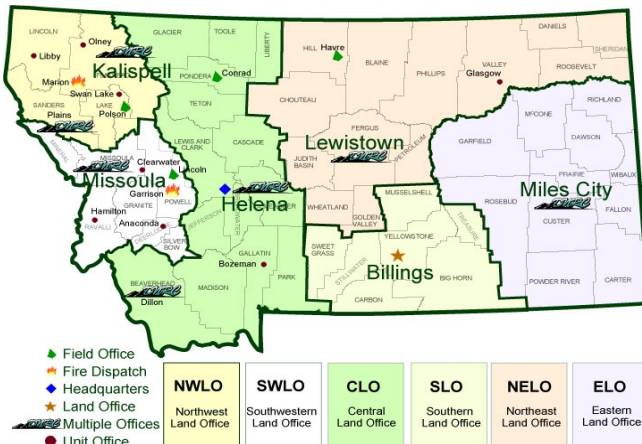


“Helping to ensure that Montana’s land and water resources provide benefits for present and future generations” is the mission of the Montana Department of Natural Resources and Conservation.

Projected FY2012 Net Revenues for Trust Beneficiaries

Projected FY 2012 Net Revenues	Ag and Grazing			Real Estate		Trust-Legacy		Grand Total ¹
	Bureau	Forestry Bureau	Minerals Bureau	Bureau	Rec Use	Earnings		
Acquired Lands- Public Schools	\$ 6,090	\$ (1,000)	\$ -	\$ -	\$ 6,172		\$ 11,262	
Capitol Buildings	\$ 256,685	\$ 703,682	\$ 78,316	\$ (41,399)	\$ 24,015	\$ -	\$ 910,652	
Common Schools	\$ 17,406,298	\$ 1,809,447	\$ 30,039,349	\$ 293,781	\$ 736,760	\$ 21,412,446	\$ 69,679,810	
Deaf & Blind	\$ 81,814	\$ 277,907	\$ 6,276	\$ 51,703	\$ 3,808	\$ 194,721	\$ 593,349	
Montana Tech	\$ 199,397	\$ 239,972	\$ 44,005	\$ 484,872	\$ 8,156	\$ 256,521	\$ 1,181,997	
MSU	\$ 17,786	\$ (150,322)	\$ 5,999	\$ 528,706	\$ 2,804	\$ 441,930	\$ 793,837	
MSU-Morrill	\$ 156,846	\$ 120,211	\$ 114,378	\$ 37,554	\$ 13,724	\$ 198,581	\$ 641,293	
MT Developmental Center	\$ 4,827	\$ -	\$ -	\$ -	\$ 163		\$ 4,990	
MT State Hospital	\$ 4,827	\$ -	\$ -	\$ -	\$ 163		\$ 4,990	
Pine Hills School	\$ 99,799	\$ 2,011	\$ 26,004	\$ 88,014	\$ 11,496	\$ 172,615	\$ 382,646	
Public Lands- Nav Rivers	\$ (1,229)	\$ (16,734)	\$ -	\$ 4,452,054	\$ -	\$ 3,566	\$ 4,363,971	
University of Montana	\$ 61,443	\$ (7,889)	\$ 18,990	\$ 49,145	\$ 2,641	\$ 75,945	\$ 193,075	
Veterans Home	\$ 3,398	\$ -	\$ 438	\$ 5,053	\$ 265	\$ 854	\$ 9,746	
Western/Eastern	\$ 133,311	\$ (129,420)	\$ 24,878	\$ 22,503	\$ 9,218	\$ 306,824	\$ 334,099	
Grand Total	\$ 18,431,292	\$ 2,847,864	\$ 30,358,633	\$ 5,971,986	\$ 819,386	\$ 23,064,004	\$ 79,105,717	

¹does not include forecast Land Banking sales



The Forestry and Trust Land Management divisions deliver programs, products and services across seven program areas: Forest Management, Real Estate Management, Fire & Aviation, Forestry Assistance, Agriculture and Grazing, Minerals Management, and Business Management. Programs are delivered in the field across six area land offices:

SHARED FORESTRY & TRUST LAND MANAGEMENT GOALS

Be the employer of choice by creating and sustaining an organizational climate that attracts quality applicants, while developing and retaining our existing workforce.

Exert leadership in the stewardship of Montana’s natural resources.

Establish effective communications protocols to enhance internal and external relationships.

Enhance organizational effectiveness and accountability through appropriate development and implementation of accounting, internal control, and information technology procedures.

Additionally, the Trust Land Management Division has the following goal:

Manage mineral and surface resources to provide approximately \$94 million in gross trust revenue consistent with fiduciary duty and legal commitments.