



South Carolina
Forestry Commission

2020-21 BUDGET

INFORMATION & REQUEST



South Carolina Forestry Commission

FY 2020-21 Budget Request Packet
for
Economic Development & Natural Resources Subcommittee Hearing
Tuesday, Jan. 28, 2020

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Agency overview

History and mission

HISTORY: The SC Forestry Commission was created in 1927 with its general duties defined in State Code 48-23-90. In summary, the Code requires the agency to make an annual report to the General Assembly on “forest conditions ... including recommendations to the public as to reforestation. ... to prevent, control and extinguish fires, including the enforcement of ... laws pertaining to the protection of the forests and woodlands give such advice, assistance and cooperation to private owners of land and promote ... appreciation by the public of the advantages of forestry and the benefits cooperate with the federal government in the distribution of funds allotted to the State for forestry ...”

MISSION: Our mission is to protect, promote, enhance and nurture the woodlands of South Carolina, and to educate the public about forestry issues, in a manner consistent with achieving the greatest good for its citizens.

Major program areas

Forest Protection

- Wildland Fire Suppression
- Forest Health (insects & disease)
- Law Enforcement

Forest Management

- Landowner Assistance
- State Forests
- Urban & Community Forestry

Forest Development

- Industry recruitment
- Forest Inventory & Analysis (FIA)
- Water quality protection (BMPs)
- Nursery & Tree Improvement

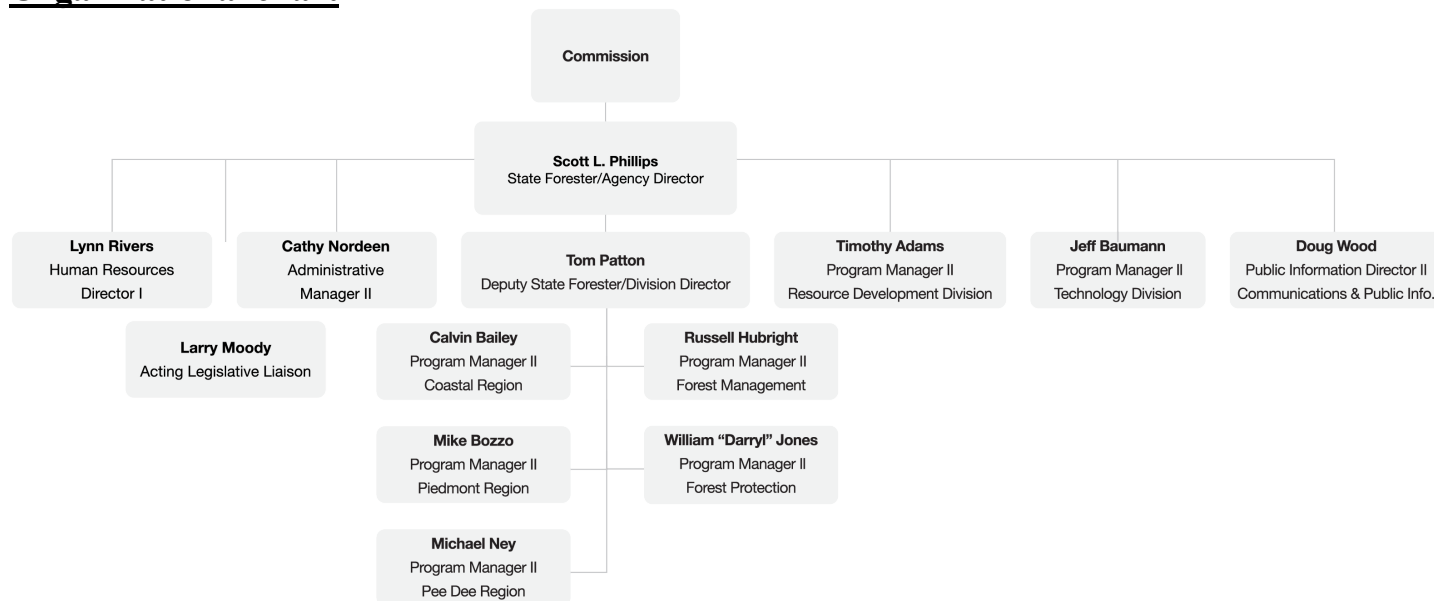
Communications

- Public information
- Environmental education
- Media relations
- Creative services

Technology

- I.T. services
- Dispatch operations
- Geographic Information Systems (GIS)

Organizational chart



FTE breakdown

<u>Authorized</u>	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Filled</u>	<u>Vacant</u>
365.80	309.65	15.70	40.45	320.80	45.00

Performance update: executive summary of FY18-19 Accountability Report

The South Carolina Forestry Commission was established in 1927 to protect, manage, develop and raise awareness about the forest resources of the state. In fulfilling those charges, the agency occupies a unique space in state government, first as an emergency response organization, but also as an economic development institution, a highly rated customer service agency and a champion for natural resource conservation. Our work continues to effectively support the responsible and sustainable growth of the state's woodlands, the industries that use them and the way of life their bounty supports.

Accomplishments

As documented in the agency's FY2018-19 Accountability Report, the Forestry Commission's accomplishments are numerous and varied, none more fruitful than the implementation of a new pay structure plan to address the exceptionally high turnover in three of our most critical job classifications. The General Assembly's generous funding of our Benefits & Retention budget request in FY2018-19 enabled us to address longstanding turnover issues among our firefighters, dispatchers and foresters by creating a new pay plan that is already having a positive impact, reducing turnover and increasing production.

The Forestry Commission's other high-level agency achievements for the reporting period span every area of agency operations:

- Implemented new pay plans for Foresters, Dispatchers and Fire Management Officers that has significantly reduced turnover rates for foresters (down to 18% in FY19 from 40% in FY18) and dispatchers (down to 20% in FY19 from 24% in FY18) and increased retention of Fire Management Officers;
- Working with SC Public Employee Benefit Authority (PEBA), the agency placed Project Foresters, Unit Foresters, Assistant Regional Foresters, Regional Foresters and Fire Staff, all of which are registered firefighter positions, into the Police Officers Retirement System (PORS) as part of the agency's recruitment and retention efforts. Previously these positions were in the State Retirement System;
- The Forestry Commission was able to procure 12 new enclosed-cab bulldozer firefighting units in FY2019;
- Project Foresters assisted 2,013 landowners and scored a 95% satisfaction rate among those surveyed;
- The agency produced \$3.8 million in timber and other revenue to operate the state forests system and support county school systems. The Forestry Commission paid nearly \$950,000 to school districts in the counties that contain the agency's five state forests, as required by law;
- Approximately \$104 million in capital investment projects were announced in FY19. These projects will create 185 new jobs in the state;
- The 2017 Timber Production Output (TPO) survey results revealed that total timber production from South Carolina forests increased 2.3% from 2015 to 2017 and was valued at more than \$1.09 billion;
- The agency produced and sold 2.3 million seedlings during FY19. Numbers are lower than the previous year, as this was a transition year for the new public-private partnership with ArborGen at Taylor Nursery. All loblolly and longleaf seedlings came from the best genetic stock available. A survey of seedling customers revealed high satisfaction levels with customer service (94%), which is very positive, given the transition with ArborGen this year;
- The Urban and Community Forestry Program's outreach served an estimated 1.6 million citizens in FY2019. A significant project completed by this program was the tree-planting project at the Marion Hike-Bike Trail as part of Governor McMaster's Floodwater Commission Workday in June. The project demonstrated how trees can mitigate flooding and stormwater issues in an area of the Marion community that received significant flooding from Hurricane Florence in 2018;
- Information & Education staff delivered forestry programming to more than 8,200 participants in FY2019. This is a 67% increase from FY2018 and an all-time high;
- The agency won – for the fourth year in a row – one of the SC State Library's 12 Notable Document Awards for its publication, "Forest Trees of South Carolina," an updated version of the agency's tree identification manual. Only 1 percent of all South Carolina state agency publications are recognized as notable documents each year;
- SCFC held its first major outreach program for secondary students April 11-14, 2019 at the SC Future Farmers of America (FFA) Center in Cherry Grove. Thirty agriculture education teachers/FFA advisors and students attended the week-long forestry camp to practice forestry skills and learn about the importance of forestry in our state;

- Best Management Practices (BMP) Foresters recorded a 97% compliance rate for water quality protection on timber harvesting operations as part of the agency's courtesy exam monitoring program. Forestry BMPs are a set of guidelines designed primarily to protect water quality during forest operations such as logging, road construction and site preparation.

Challenges

The challenges noted in the agency's Accountability Report provide the basis for, and are in fact directly linked to, our current budget requests for FY2020-21. Our \$1 million request for recurring funds to purchase new firefighting equipment, specifically enclosed-cab bulldozers, is always among the agency's highest funding priorities. Replacing these older model bulldozers is critical for the safety of firefighters and the public.

Another challenge is our fleet of aging aviation assets, which are becoming a major safety concern. Maintenance costs and the limited availability of parts are making it more difficult to ensure that the fleet is operational when needed to support wildfire control, hurricane response, search & rescue, and other operations. Having a safe and reliable aircraft is essential to pilot safety during flights, and to increase safety for firefighters on the ground being supported by these aircraft.

The other challenges highlighted below relate to capacity in our most important program areas:

- 28% of frontline firefighting bulldozer units exceed the 15-year safe service life, and only 56% of our firefighting bulldozers are the new safer enclosed-cab units. The agency needs to procure 11-12 dozer units each year based on the 15-year safe service life for this firefighting equipment;
- Aircraft used for wildfire detection and suppression are exceeding safe service life. The average age of Commission aircraft is 51 years;
- Inadequate IT staffing and operating funds to implement State Information Security initiatives, reduce IT related security risks and meet agency operational requirements;
- Inadequate FTEs for much-needed workforce/succession planning and implementation. Thirty-one percent of the agency's workforce is eligible to retire within 5 years;
- 9% of our frontline firefighter positions are vacant with the average position being vacant 6 months; two were vacant in excess of one year;
- At the end of FY2018-19, our average wildfire response time increased to 37.9 minutes because of firefighter vacancies and the resulting larger coverage areas. This exceeds the 35-minute target and is 6% above the five-year average;
- While the agency assisted 2,013 landowners during FY2019, this is 19% below our current desired target and more than 40% below historical metrics. Shortfall is due to reduced staffing and recruitment/retention issues;
- Understaffing in the Public Information Division creates the lack of specialization needed for a more robust integrated communications program, which also leads to missed opportunities for public relations and outreach.

Financial update: budget vs. actual, FY18-19 & FY19-20

Major Budget Categories	Fiscal Year	General Funds Appropriations	General Funds Expenditures	Federal Funds Appropriations	Federal Funds Expenditures	Other Funds Appropriations	Other Funds Expenditures
Personal Services	2018-19	\$11,148,671.00	\$9,880,533.94	\$1,578,518.00	\$606,967.48	\$1,390,000.00	\$966,251.24
	2019-20	\$12,115,274.00	\$5,465,361.96	\$1,028,518.00	\$296,129.07	\$1,390,000.00	\$484,753.68
Other Operating	2018-19	\$1,997,655.00	\$3,517,607.15	\$2,399,567.00*	\$1,567,667.34	\$6,097,671.00	\$2,644,515.41
	2019-20	\$2,997,655.00	\$916,321.98	\$2,499,567.00	\$754,566.61	\$6,197,671.00	\$2,601,667.57
Special Items (Forest Renewal and Act 273 Equipment Funds)	2018-19	\$200,000.00	\$200,000.00			\$900,000.00	\$818,614.04
	2019-20	\$200,000.00	\$183,042.71			\$800,000.00	\$101,045.00
Divisions to Subdivisions	2018-19			\$800,475.00	\$626,246.23	\$1,100,000.00	\$944,219.59
	2019-20			\$800,475.00	\$303,509.02	\$1,100,000.00	\$-
Fringe Benefits	2018-19	\$5,411,850.00	\$5,172,483.58	\$585,000.00	\$268,652.01	\$510,000.00	\$466,070.07
	2019-20	\$6,150,033.00	\$2,783,612.54	\$435,000.00	\$139,621.70	\$510,000.00	\$241,553.81
Non-Recurring	2018-19	\$1,000,000.00	\$489,422.00				
	2019-20	\$1,510,578.00	\$510,578.00				
Carryforward	2018-19	\$1,643,578.00					
	2019-20	\$1,883,416.00					
Total	2018-19	\$21,401,754.00	\$19,260,046.67	\$5,363,560.00	\$3,069,533.06	\$9,997,671.00	\$5,839,670.35
	2019-20	\$24,856,956.00	\$9,858,917.19	\$4,763,560.00	\$1,493,826.40	\$9,997,671.00	\$3,429,020.06

* Additional federal authority was a one-time increase.

Prioritized summary of FY2020-21 budget request

FY2020-21 Prioritized Budget Request Summary

SC Forestry Commission												
BUDGET REQUESTS			FUNDING						FTEs			
Priority	Title	Request Description	General: recurring	General: non-recurring	Capital	Other	Federal	Total	State	Other	Federal	Total
1	Firefighting Equipment	Firefighting Equipment	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000	0	0	0	0
2	Staffing Realignment	Staffing Realignment For Agency Efficiency	\$420,000	\$0	\$0	\$0	\$0	\$420,000	4	-4	.25	.25
3	Information Technology & Security	I.T. Personnel & Operating Expenses	\$550,000	\$0	\$0	\$0	\$0	\$550,000	3	-2	0	1
4	Firefighting & Service Capacity	Fire/Mgmt. Personnel & Operating Expenses	\$1,990,000	\$0	\$0	\$0	\$0	\$1,990,000	10	0	0	10
5	Outreach Capacity	Communications Personnel & Operating Expenses	\$100,000	\$0	\$0	\$0	\$0	\$100,000	1	0	0	1
6	Aircraft	Aircraft For Fire Support	\$0	\$0	\$250,000	\$0	\$0	\$250,000	0	0	0	0
7	Firefighting Equipment	Firefighting Equipment Replacement	\$0	\$1,000,000	\$0	\$0	\$0	\$1,000,000	0	0	0	0
TOTAL BUDGET REQUESTS			\$4,060,000	\$1,000,000	\$250,000	\$0	\$0	\$5,310,000	18	-6	.25	12.25

Proviso requests/changes

FY19-20 Proviso#	Renumbered FY20-21 Proviso#	Proviso Title	Summary	FY of Proviso Introduction/ # of years in budget	Recom- mended Action	Proviso Language
43.1		Grant Funds Carry Forward	Authorization to use unexpended federal funds in the current year to pay for prior year expenditures.	FY96	Codify	The Forestry Commission is authorized to use unexpended federal grant funds in the current year to pay for expenditures incurred in the prior year.
43.2		Retention of Emergency Funds	Authorization to retain funds received through reimbursement from other state and federal agencies when Forestry Commission personnel or equipment are used.	FY00	Codify	The Forestry Commission is authorized to retain all funds received as reimbursement of expenditures from other state or federal agencies when personnel and equipment are mobilized due to an emergency.
43.3		Commissioned Officers' Physicals	Authorization to pay costs of physical examinations for agency law enforcement personnel.	FY06	Codify	The Forestry Commission is authorized to pay the cost of physical examinations for agency personnel who are required to receive such physical examinations prior to receiving a law enforcement commission.
43.4		Compensatory Payment	Authorization to pay exempt Forestry Commission personnel actual hours worked in lieu of compensatory time, when the Governor has declared a state of emergency.	FY12	Codify	In the event a State of Emergency is declared by the Governor, exempt employees of the Forestry Commission may be paid for actual hours worked in lieu of accruing compensatory time, at the discretion of the agency director, and providing funds are available.



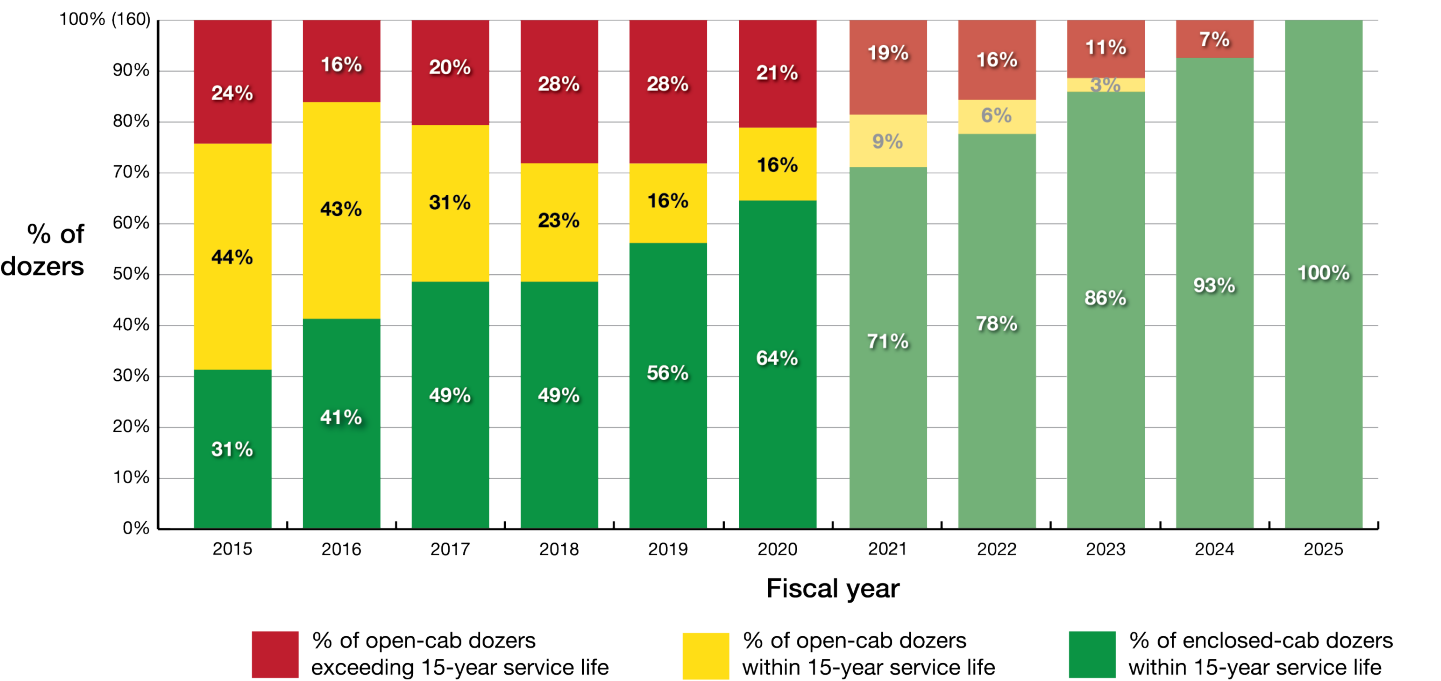
SAFETY IS JOB #1

INADEQUATE EQUIPMENT FUNDING EXPOSES RISK

Thanks to help from the General Assembly the Commission has made significant progress since 2012 putting firefighters in safer enclosed-cab bulldozers. Open-cab bulldozers need to be replaced with safer, enclosed environmental cabs as quickly as possible. Replacement reduces the risk of injuries and deaths to firefighters and the public, and provides better property protection. With the requested recurring funding the agency can reach that goal in 2025.

To maintain a reliable dozer fleet, dozer units should be kept on a 15-year replacement cycle. In order to meet a 15-year replacement cycle, the agency needs to purchase 11 to 12 dozer units (dozer, plow and transport) annually. Each unit cost approximately \$318,000, which requires \$3.8 million each year. Currently the agency receives approximately \$1.8 million through Act 273 plus \$1 million recurring received in FY2020 appropriations. The requested \$1 million in recurring funds will guarantee the \$3.8 million annual need to maintain a reliable fleet and ensure that safe firefighting equipment is available to fulfill the agency’s mission.

Replacement Schedule of Frontline Firefighting Units
at requested funding level



FORESTRY IS BIG BUSINESS

South Carolina's forests are an economic engine that creates wealth, provides jobs and contributes to the state's quality of life as well as its business and environmental health. All of the commercial enterprises that make up the forestry sector constitute one of the largest industries in our state. Forestry continues to be a pillar of our state's economy, contributing **\$21.2 billion** annually while providing more than 98,000 jobs and \$4.9 billion in annual labor income. Compared to other leading industries in the Palmetto State, forestry ranks #1 in jobs, #2 in labor income, and #3 in direct economic output.

#1 in
JOBS



98,000+
JOBS IN FORESTRY

#2 in
LABOR
INCOME



\$5 BILLION
CONTRIBUTION

#3 in
DIRECT
ECONOMIC
OUTPUT



\$9 BILLION
DIRECT ECONOMIC OUTPUT