

Prioritizing Forest Fuels Reduction Projects.

DNRC's process for prioritizing fuels reduction projects can be improved.

Audit Findings

Hazardous fuel levels exist in Montana's national forests, state trust lands, and private forests. These hazards have occurred due to a number of factors including drought, past forest management and fire suppression policies, and increased development in the wildland/urban interface. Reducing hazardous fuel levels involves all levels of government and all types of landowners.

The Department of Natural Resources and Conservation (DNRC) is responsible for protecting Montana's resources from wildfires. It accomplishes this task by supporting fuels reduction activities on state and privately owned lands, managing state trust lands, and ensuring compliance with the Hazard Reduction Act. The federal government is the primary source of funding for fuels reduction projects. DNRC assists local governments and private landowners in acquiring federal grant funds by prioritizing projects and actually awarding the funds. Between 2002 and 2007, fuels reduction projects on non-federal lands have received more than \$9.3 million from federal grants. However, future federal funding availability for fuels reduction grants is uncertain due to increasing pressure from other federal priorities. This has raised concerns about the availability of funding for local fuels reduction projects in Montana. In addition, recent criticisms from the General Accountability Office and the U.S. Department of Agriculture's Inspector General have led to changes in federal fuels reduction policy. Federal policy now requires the highest risk projects be funded. These changes will result in more competition between states for limited amounts of federal funding to reduce forest fuels.

We have identified two major improvements DNRC can make to its existing process to improve opportunities for federal funding to support Montana fuels reduction projects. These include:

- ▶ Developing a regional and statewide assessment of hazardous fuel levels.
- ▶ Increasing the use of available information to more effectively prioritize fuels reduction programs.

These changes will allow DNRC to more effectively identify areas of high risk and focus limited federal funding to reduce these risks. This will improve DNRC's prioritization process from one that spreads funding throughout the state to one which focuses on those areas of highest risk from wildfire.

Audit Recommendations

To improve DNRC processes, we recommend DNRC develop criteria to coordinate and fund statewide fuels reduction activities that:

- ▶ Focus efforts in areas of greatest risk as identified in regional and statewide fuels assessments.
- ▶ Incorporate the use of local land-use planning practices and in-house information.
- ▶ Require greater consistency of locally supplied fuels information.