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Date: June 7, 2010

Route To:

Subject: Fiscal Year 2012 Project Selection Process for the Forest Legacy Program

To: Regional Foresters, Area Director, and IITF Director

REPLY DUE NOVEMBER 30, 2010

The fiscal year (FY) 2012 project selection process for the Forest Legacy Program (FLP) will be competitive, merit-based, and coordinated by the Washington Office (WO). The final project list will be submitted to the Office of Management and Budget, through the Department of Agriculture, for consideration in the President's Budget. The process to complete the final project selection will be as follows:

Step 1: Projects Submitted for Funding Consideration

Due: November 30, 2010

Each Region, Area, and Institute (R/A/I) will work with State Lead Agencies to ensure that all proposed projects are entered into the Forest Legacy Information System (FLIS). The States can submit up to three projects, not to exceed a total of \$10,000,000 (individual projects cannot exceed \$7,000,000). The State Lead Agency is responsible for data entry and accuracy. The R/A/I is responsible for reviewing and validating the information for each project. All projects must meet the following criteria:

- Be reviewed, evaluated and prioritized by the State's Forest Stewardship Coordinating Committee and approved by the State Lead Agency;
- Be consistent with the goals of the State Assessment and Strategy and/or the State's Assessment of Need (AON);
- Be located within a designated Forest Legacy Area; and
- Be within the funding limits described above.

The information provided for each project should include:

- The State's priority rank;
- List of supporting tracts in order of priority;
- Estimated project costs, which should not exceed \$7,000,000;
- Estimate cost-share, which should be at least 25 percent of the total project cost;
- Estimated costs of each tract rounded to the nearest \$5,000; and
- Project description in FLIS.

The R/A/I should advise the State Lead Agencies that the scoring guidance (Enclosure 1) has been updated, and should use it when entering project information into FLIS. In addition, the State Lead Agencies should be advised that in FY 2010, Congress appropriated funds for 36 projects (33 states receiving project funds, with three states receiving funds for two projects), with a funding average of \$2,011,000 per project and a funding range of \$230,000 to \$4,160,000.



Step 2: Regional Project List**Due: December 6, 2010**

Prior to developing the Regional project list, each State should be evaluated by the R/A/I regarding its fulfillment of the FLP core program requirements listed below:

1. Baseline reports for all closed conservation easement tracts (FLP Guidelines, page 18);
2. Forest stewardship plan or multi-resource management plan for all closed conservation easement tracts (FLP Guidelines, page 18);
3. Annual monitoring conducted for all closed conservation easements tracts (FLP Guidelines, page 20);
4. Addresses significant conservation easement violations and/or has a conservation easement violation plan (FLP Guidelines, page 20);
5. Implements a record keeping protocol for all FLP tracts (FLP Guidelines, page 37);
6. Developed an action plan to address recommendations in a Quality Assurance Inspection (Quality Assurance Plan for Forest Legacy Program Appraisals, September 2006);
7. The amount of unspent funds a State has in outstanding grants; and
8. Up-to-date on grant reporting requirements.

For the majority of States we expect that all requirements will be met. In the rare case that persistent deficiencies in a State's performance are identified and cannot be remedied, than the State can either not submit projects for consideration or submit projects with the understanding that they will not be reviewed and ranked by the National Review Panel. The projects will still be part of the National list, but will be added to the bottom below the reviewed and ranked projects. We expect that the R/A/I will have been working closely with the State during the year to address all deficiencies.

Prior to the due date, Forest Service WO and R/A/I FLP program staff will discuss deficiencies to ensure consistent treatment of States' projects. Using the information above, each R/A/I will submit to the WO a list of recommended projects and supporting information. The R/A/I will inform the WO if projects should not be reviewed and ranked because of performance deficiencies. Also, the following project information should be provided with the project list:

- For phased projects, indicate which phase of the project is being considered this year;
- Show individual phases as stand-alone projects so they can compete against all other proposed projects for the year;
- Identify any projects that must be funded in their entirety and cannot be phased; and
- Include funding (\$500,000) for all new (first-year) States as a one-time start-up initiative.

Step 3: Project Briefs for National Review Panel**December 8, 2010**

The WO will compile all project briefs from FLIS for distribution to National Review Panel members to be distributed on December 8, 2010. These documents will be the primary source of project information used by the National Review Panel to score and rank the projects. The package will include:

- Project Briefing Sheets
- Regional project list; and
- Scoring guidance (Enclosure 1).

In addition, the National Review Panel will receive project backlog information and average duration for a state to close projects, compiled as of January 7, 2011.

Step 4: National FLP Project List

January 11-12, 2011

The WO will convene a National Review Panel to facilitate the development of a National Project List. The panel will include three Forest Service WO representatives, three R/A/I representatives, and four State Lead Agency representatives. The panel will review and rank the projects based on the scoring guidance. In addition, the review panel will pay particular attention to the amount of unspent funds each State has in outstanding grants, and is most concerned with funding from 2008 and earlier.

In the event that a significant change to a submitted project (project phasing, funding reduction, or selection out of State priority order) is being considered by the panel, an attempt will be made to consult with the affected State. It is recommended that State Forest Legacy Program Managers be available to answer questions and provide information during the timeframe of this meeting.

Step 5: Submit National FLP Project List to OMB/Congress

January 13, 2011

The final Project List will be submitted to the State and Private Forestry (S&PF) Deputy Chief for approval. Then, the S&PF Deputy Chief will obtain clearance for the FLP list in accordance with deadlines for the release of the President's budget in early February.

The S&PF Deputy Chief will provide the House and Senate Appropriations Committees the Project List and accompanying project briefing materials after the release of the President's Budget.

If you have any questions, please contact Kathryn Conant at (202) 401-4072 or Nancy Parachini at (202) 205-1618.

/s/ James E. Hubbard
JAMES E. HUBBARD
Deputy Chief, State and Private Forestry

cc: Kathryn J Conant
Enclosure