

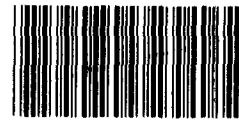
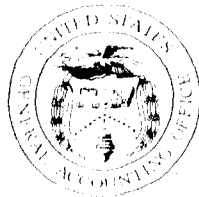
GAO

Report to the Chairman, Subcommittee
on National Parks and Public Lands,
Committee on Interior and Insular
Affairs, House of Representatives

November 1991

WILDERNESS MANAGEMENT

Accountability for Forest Service Funds Needs Improvement



145186

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United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-242584

November 4, 1991

The Honorable Bruce F. Vento
Chairman, Subcommittee on National
Parks and Public Lands
Committee on Interior and Insular Affairs
House of Representatives

Dear Mr. Chairman:

As you requested, we examined how the U.S. Department of Agriculture's Forest Service distributes and spends funds designated by the Congress for the management of wilderness areas on National Forest lands. You expressed concern that increased funding designated by the Congress for wilderness management may not be reaching the Forest Service's district offices, where the day-to-day management of wilderness areas occurs.

We determined how the Forest Service spent funds designated by the Congress for wilderness management in fiscal years 1988 through 1990 and gathered preliminary information on fiscal year 1991 expenditures. We presented our preliminary observations in testimony before your Subcommittee earlier this year.¹ This report finalizes the issues raised at that time.

Results in Brief

To help ensure that Forest Service wilderness areas are protected and allowed to maintain their natural conditions, congressional funding for wilderness management increased by almost 80 percent from fiscal years 1988 through 1991. However, of the \$44.7 million designated by the House and Senate Appropriations Committees for wilderness management in fiscal years 1988 through 1990, \$16.4 million, or 37 percent, was reprogrammed² to other activities. This reprogramming left \$28.3 million to be spent on wilderness management. Affected by the reprogrammings, expenditures for wilderness management that had increased from \$8.5 million in fiscal year 1988 to \$10.2 million in fiscal year 1989 decreased to \$9.6 million in fiscal year 1990.

¹Forest Service Wilderness Management Funding (GAO/T-RCED-91-11, Feb. 26, 1991).

²Reprogramming is the shifting of funds from one purpose to another within an appropriation account.

Of the \$28.3 million spent on wilderness management, \$10.5 million was used for wilderness management expenses—primarily salaries and administrative costs—at organizational levels above the district offices. The remaining \$17.8 million was spent on wilderness management at the district level. In this regard, the Forest Service reported that 112 of the over 500 district offices that managed at least a portion of wilderness areas experienced reductions in funding for wilderness management in fiscal year 1990, including some that had earlier identified funding and staffing shortfalls.

The Forest Service reprogrammed these wilderness funds without complying with House Committee on Appropriations procedures, which require prior approval by the Committee. Such approval was not sought by the Forest Service. Contrary to Committee procedures, the Forest Service's internal guidance to the agency's budget managers did not require that the Committee's approval be sought prior to reprogrammings, as long as specified output targets were not reduced for the program or activity from which the funds were reprogrammed.³ However, the Forest Service has not established measurable output targets for wilderness management.

The Chief of the Forest Service has, over the past several months, described a number of steps to be taken to ensure that (1) designated funds are spent as intended by the Congress, (2) the Committee's reprogramming procedures are followed, and (3) there is greater accountability over funds designated for wilderness management. The Chief has indicated that the Forest Service's Program Development and Budgeting Handbook, which serves as guidance to field offices, would be revised accordingly, although this had not been done as of September 6, 1991. Refining its accounting for expenditures and establishing output targets are additional steps the Forest Service should take to improve accountability over expenditures of wilderness management funds and the performance of wilderness managers.

Background

According to the Wilderness Act of 1964, wilderness is an area where the forces of nature predominate and man is a visitor. The Forest Service manages about one-sixth of its 191-million-acre National Forest System as wilderness. Forest Service management of wilderness areas is

³An output target, such as the number of acres to be reforested in a given year, enables a measurement of program performance.

decentralized at 156 forest offices and over 500 district offices, with oversight by 9 regional offices and a headquarters office.

In a 1989 report on Forest Service wilderness areas, we identified—through the use of a questionnaire sent to Forest Service wilderness managers—a variety of needs that were not being met within existing funding and staffing levels.⁴ These needs included cleaning campsites, educating visitors on how to preserve the character of the wilderness, and monitoring the condition of wilderness areas. These day-to-day wilderness management tasks are performed, for the most part, by the Forest Service's district office staff. To address these needs, congressional funding for wilderness management substantially increased: from \$12.6 million in fiscal year 1988 to \$14.7 million in fiscal year 1989, \$17.4 million in fiscal year 1990, and \$22.6 million in fiscal year 1991—representing an almost 80-percent increase over this period.

For budgetary purposes, the Forest Service places wilderness management together with recreation management and cultural resource management in a budget activity called "recreation uses," which is included in the National Forest System budget account.⁵ The Appropriations Committees then indicate the amount of funds that will be provided each fiscal year for these three categories within the recreation uses budget activity. For fiscal year 1991, the Congress designated \$152.6 million for recreation management and \$23.5 million for cultural resource management, in addition to the \$22.6 million designated for wilderness management.

Under certain circumstances, the Forest Service may reprogram funds for uses other than those for which they were specifically designated by the House and Senate Committees on Appropriations. Under current House Appropriations Committee procedures, the Forest Service must obtain the Committee's approval prior to any reprogramming of funds specifically designated in House and Senate Appropriations Committee reports if the reprogramming (1) exceeds \$250,000 annually or (2) increases or decreases a program's or an activity's funding by more than 10 percent.⁶ This stipulation applies to the lowest level for which there is a specific designation of funds, or, in the recreation uses budget

⁴Wilderness Preservation: Problems in Some National Forests Should Be Addressed (GAO/RCED-89-202, Sept. 26, 1989).

⁵A budget activity within a budget account identifies the purposes, projects, or types of activities financed.

⁶The procedures make exceptions for certain land purchases and construction projects.

activity, to wilderness management, recreation management, and cultural resource management.

The Committee's procedures further state that reprogramming should not be used to initiate new programs or to change allocations specifically denied, limited, or increased. If reprogramming is caused by unforeseen events or conditions, the House report stipulates that the Committee's approval must be obtained in advance regardless of the amount involved.

Significant Reprogramming of Annual Wilderness Funds Has Occurred Without Committee Approval

The Forest Service did not obtain the approval of the House Committee on Appropriations prior to reprogramming about \$16.4 million of the funds specifically designated for wilderness management in fiscal years 1988 through 1990. These reprogrammings exceeded the limits established by the Committee, were clearly not consistent with the Committee's procedures, and have resulted in funding and staffing shortfalls for wilderness management.

Amounts of Wilderness Funds Reprogrammed to Other Activities

Table 1 shows the designated funding and expenditures for wilderness management in fiscal years 1988 through 1990, as well as the funds reprogrammed to other activities. Of the \$44.7 million designated in Appropriations Committee reports for wilderness management in fiscal years 1988 through 1990, the Forest Service reprogrammed \$16.4 million to other activities. The amount reprogrammed ranged from \$4.1 million in fiscal year 1988 to \$7.8 million in fiscal year 1990 and comprised 33 percent and 45 percent of the funds designated for wilderness management for the respective fiscal years. Expenditures for wilderness management that had increased from \$8.5 million in fiscal year 1988 to \$10.2 million in fiscal year 1989 decreased to \$9.6 million in fiscal year 1990. This decrease occurred despite an 18-percent increase in designated funds that year.

Table 1: Designated Funding and Expenditures for Wilderness Management, Fiscal Years 1988 Through 1990

Dollars in millions

	Fiscal year						Total	
	1988		1989		1990		Amount	Percent
	Amount	Percent	Amount	Percent	Amount	Percent		
Designated funding	\$12.6	100	\$14.7	100	\$17.4	100	\$44.7	100
Reprogrammed to other activities	4.1	33	4.5	31	7.8	45	16.4	37
Expended on wilderness management	8.5	67	10.2	69	9.6	55	28.3	63

Amounts Spent for Wilderness Management Within the Forest Service

Of the \$28.3 million remaining for wilderness management in fiscal years 1988 through 1990, about \$10.5 million was expended for wilderness management expenses, such as salaries and administrative costs, at the headquarters, regional, and forest office levels. This, in turn, left \$17.8 million to be spent during the 3 years at the district office level, where the day-to-day management of wilderness areas occurs. Such expenditures at the district office level increased from \$5.5 million in fiscal year 1988 to \$6.1 million in fiscal year 1989, or by 11 percent; however, they increased by only \$100,000 in fiscal year 1990, or by less than 2 percent, and there were actual decreases at many district offices. For example, in a February 20, 1991, response to the House Committee on Appropriations concerning funding designated for wilderness management, the Forest Service reported that 112 of the over 500 district offices that manage at least a portion of wilderness areas had experienced reductions in wilderness funding expenditures in fiscal year 1990.

Wilderness managers at some of these district offices had identified funding and staffing shortfalls relating to wilderness management in responding to the questionnaire that was used in our analyses for our 1989 report. Although we did not update the results of our questionnaire, which contained information for fiscal years 1986 through 1988, some managers of wilderness areas that experienced shortfalls for these 3 fiscal years told us that recent reductions in wilderness expenditures perpetuated such things as lack of monitoring of outfitter and guide activities and campsite deterioration—problems identified in our 1989 report. Table 2 shows wilderness management expenditures, by Forest Service organizational level, for fiscal years 1988 through 1990.

Table 2: Wilderness Management Expenditures, by Organizational Level, Fiscal Years 1988 Through 1990

Dollars in millions

Forest Service organizational level	Fiscal year						Total	
	1988		1989		1990		Amount	Percent
	Amount	Percent	Amount	Percent	Amount	Percent		
Headquarters	\$0.4	5	\$1.1 ^a	11	\$0.6	6	\$2.1	7
Regional offices	0.9	11	0.9	9	1.1	11	2.9	10
Forest offices	1.7	20	2.1	21	1.7	18	5.5	19
District offices	5.5	65	6.1	60	6.2	65	17.8	63
Total^b	8.5		10.2		9.6		28.3	

^aThe primary reason for the increase at the headquarters level in 1989 was to fund a study to determine the effect of low-flying aircraft on wilderness areas.

^bTotals may not add due to rounding.

Forest Service Guidance Not in Concert With Committee Procedures

During our review, Forest Service guidance to the agency's budget managers concerning the reprogramming of funds designated for wilderness management and other programs, which is contained in the agency's Program Development and Budgeting Handbook, allowed reprogramming of designated funds without the Committee's approval, regardless of amount, as long as specified output targets were not reduced for the program or activity from which the funds were reprogrammed. However, in a March 20, 1991, memorandum, the Chief of the Forest Service directed the regions to comply with the reprogramming procedures specified in House Report 99-714 and stated that the Program Development and Budgeting Handbook would be revised accordingly. In an April 23, 1991, memorandum, the Chief described the steps to be followed to ensure that designated funds are spent as intended by the Congress and that the Committee's reprogramming procedures are followed.

Although the handbook had not been revised as of September 6, 1991, the Chief of the Forest Service's memorandums have had the desired effect of ensuring that a greater proportion of wilderness management funds are spent as designated by the Congress. For example, as of January 31, 1991, the Forest Service had planned to spend only \$9.7 million, or 43 percent, of the \$22.6 million designated by the Congress for wilderness management in fiscal year 1991. The remaining \$12.9 million would have been reprogrammed to other activities or carried over to fiscal year 1992. However, as of May 30, 1991, the Forest Service planned to spend about \$20 million, or 88 percent, of the designated funds for wilderness management.

The Forest Service Cannot Account for the Wilderness Funds Reprogrammed

According to Forest Service officials, they cannot specifically account for the \$16.4 million of funds designated for wilderness management that were reprogrammed in fiscal years 1988 through 1990 because the wilderness funds were commingled with other funds designated for recreation and cultural resource management under the recreation uses budget activity. Our analyses indicate that most of the \$16.4 million was spent within the recreation uses budget activity. However, the agency has expanded this activity to include 15 other categories of expenditures that are not specifically identified in the Forest Service's recreation uses budgets.

Forest Service officials explained that most of the funds reprogrammed and expended on these other 15 categories tend to benefit wilderness, recreation, and/or cultural resource management, but the specific benefits to each are not known. While this explanation appears plausible for some of the expenditures, such as trail improvements and law enforcement, it appears less so for others.

For example, over \$18 million was reprogrammed within the recreation uses budget activity for timber management in fiscal years 1988 through 1990. According to Forest Service officials, funds spent for timber management were used to determine the impact of planned timber sales on wilderness, recreation, and cultural resources and were recognized as a cost applicable to timber sales. Because timber sales administration and management is a separate budget activity that includes funds designated for determining the environmental and economic impacts of planned timber sales, it is not entirely clear to us why additional funds that were designated for wilderness management should be used for this purpose. For more information on expenditures within the recreation uses budget activity, see appendix I.

In its February 20, 1991, response to the House Appropriations Committee, the Forest Service said that it was planning to ensure greater accountability for funds designated for wilderness management by (1) providing a specific allocation of funds for wilderness management to each of its forest offices, (2) making wilderness management a factor in evaluating regional performance, and (3) completing wilderness operational plans by 1993.⁷ If these plans include baseline inventory information on the condition of each wilderness area and identify the funding and staffing needed to manage each area consistent with the objectives

⁷Wilderness operational plans are to include the specific tasks to be accomplished in each of the Forest Service's 354 wilderness areas and identify specific funding and staffing requirements.

of the Wilderness Act, the Forest Service will have accomplished two of the recommendations we made in our 1989 report intended to improve management of wilderness areas.

Although these steps should improve accountability, it will still be difficult, if not impossible, to measure regional performance relating to wilderness management because the Forest Service has not established output targets for wilderness management. The head of the Forest Service's Financial Planning and Management Office and other Forest Service officials we talked with agree that output targets for wilderness management would provide greater accountability by allowing performance to be measured against established targets.

Conclusions

Although the amounts designated for wilderness management increased almost 80 percent from fiscal years 1988 through 1991, because of reprogrammings—coupled with program expenses at other organizational levels—less than half of the total funds designated for wilderness management reached the district office level, where the day-to-day management of wilderness areas occurs. Furthermore, the Forest Service is unable to provide a specific accounting of how funds designated for wilderness management are spent.

The Forest Service is taking steps to ensure that (1) funds designated for wilderness management are spent as the Congress intended, (2) the House Committee on Appropriations' reprogramming procedures are followed, and (3) there is greater accountability over funds designated for wilderness management. These steps, ongoing in September 1991, are steps in the right direction.

To further improve accountability, the Forest Service's accounting for expenditures within the recreation uses budget activity should clearly reflect how any funds not spent specifically for wilderness, recreation, or cultural resource management (as designated by the Congress) benefit these three expenditure categories. Also, as a means of better holding wilderness managers accountable for their performance, the Forest Service needs to develop output targets for wilderness management against which performance can be measured.

Recommendations

To enable better management and oversight of funds designated by the Congress for wilderness management, we recommend that the Secretary of Agriculture direct the Chief of the Forest Service to

-
- revise the Program Development and Budgeting Handbook to conform to House Appropriations Committee reprogramming procedures;
 - revise the manner in which expenditures in the recreation uses budget activity are accounted for to show how funds, when reprogrammed within or from this budget activity, benefit wilderness, recreation, and/or cultural resource management; and
 - establish specific output targets for wilderness management and measure manager performance against these targets.

Scope and Methodology

We conducted our review at the Forest Service's headquarters office in Washington, D.C., and at the Region 6 office in Portland, Oregon, and three of its forest offices and four of its district offices. We also contacted seven other Forest Service regions and seven of their district offices to clarify budget and expenditure data obtained from the Department of Agriculture's National Finance Center in New Orleans, Louisiana, but we did not verify the accuracy of the data provided. However, Forest Service headquarters queried its regional offices concerning explanations for the significant reprogramming of wilderness funds that became evident from an analysis of the data provided, and we followed up with our own inquiries. We did not attempt to determine how much money specifically budgeted for other activities, such as trail maintenance, was spent within wilderness areas.

To determine the appropriateness of the Forest Service's reprogramming of wilderness funds to other categories, we reviewed Forest Service guidance and other materials as well as the reprogramming procedures of the House Appropriations Committee. We conducted our review from August 1990 to May 1991 in accordance with generally accepted government auditing standards. We discussed the results of our work with responsible Forest Service officials and have incorporated their comments where appropriate. These officials generally agreed with the facts presented in the report.

We are sending copies of this report to the Secretary of Agriculture, the Chief of the Forest Service, and other interested parties and will make copies available to others upon request.

This work was performed under the direction of James Duffus III, Director, Natural Resources Management Issues, who can be reached at (202) 275-7756. Other major contributors to this report are listed in appendix II.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Dexter Peach". The signature is written in a cursive, flowing style.

J. Dexter Peach
Assistant Comptroller General

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Abbreviations

GAO General Accounting Office
RCED Resources, Community, and Economic Development Division

Expenditures Within the Recreation Uses Budget Activity

Information obtained by the Forest Service from the National Finance Center in New Orleans, Louisiana, showed that in fiscal year 1990, the Forest Service had 18 categories of expenditures in the recreation uses budget activity. (See table I.1.) Within the recreation uses budget activity, only three of these categories—wilderness management, recreation management, and cultural resource management—had funds specifically designated by the Congress. The Forest Service used the funds to not only support these three categories but also to support the remaining 15 categories as well. However, several of the other 15 categories that were funded, in part, with recreation uses funds received their own designated funding under the Department of the Interior and Related Agencies Appropriations Act. For example, trail improvement (or maintenance) received about \$24.5 million in fiscal year 1990 under the National Forest System budget account.

**Appendix I
Expenditures Within the Recreation Uses
Budget Activity**

**Table I.1: Source and Uses of Funds in
Recreation Uses Budget Activity, Fiscal
Year 1990**

Dollars in thousands		
Category	Amount designated	Amount spent
Recreation management	\$115,519	\$105,996.9
Cultural resource management	18,142	11,277.9
Wilderness management	17,393	9,646.3
Timber management	0	7,476.8
Land management planning	0	5,883.9
Law enforcement	0	5,216.1
Visual resources	0	2,161.4
Mineral and geology operations	0	97.0
Trail improvement	0	60.5
Special use lands	0	34.9
Facilities improvements operations	0	22.4
Transportation improvements	0	18.3
Wildlife habitat improvements/operations	0	16.2
Watershed improvements operations	0	5.5
Range resources improvements	0	4.5
Fire management	0	4.3
Special activities	0	2.0
Forest pest management	0	0.2
Subtotal	\$151,054	
Total		\$147,924.9
Amount reprogrammed to recreational uses from other budget activities	1,617.0	
Revised funding level ^a	\$152,671.0	

^aThe revised funding level exceeded total expenditures for fiscal year 1990 by about \$4.7 million. Under the Forest Service's 2-year budget, this amount was available for carryover to fiscal year 1991.

The relevance to wilderness, recreation, and/or cultural resource management of the 15 categories of expenditures that did not receive specific designated funding under the recreation uses budget activity is undocumented and largely unknown. According to Forest Service officials, however, expenditures in each of the 15 categories were generally related to a combination of wilderness, recreation, and cultural resource management activities. They explained as follows:

- Timber management, to which about \$7.5 million in expenditures was reprogrammed for fiscal year 1990, captures the cost of determining the impact of planned timber sales on wilderness, recreation, and cultural resources. An example is the cost of planning a timber sale in such a

way that a large clear-cut area cannot be seen from a highway or a wilderness area.¹

- Land management planning (\$5.9 million) captures the cost of developing wilderness, recreation, and cultural resource components of land management plans at the regional and forest levels. Such plans help coordinate the various uses of national forests, such as timber production, recreation, and wildlife. When a forest has a wilderness area, the plans for that forest will contain a section on wilderness and a portion of the costs are therefore wilderness-related.
- Law enforcement (\$5.2 million) captures the cost of detecting, investigating, and preventing violations of federal laws and regulations as they relate to wilderness, recreation, and cultural resource management.
- Visual resources (\$2.2 million) captures the cost of considering the visual appeal the forest setting may have for visitors. An example is considering what visual impact the construction of a road or ski area would have if viewed from other parts of the forest such as a wilderness or developed recreation area.
- The remaining 11 categories are collectively much smaller than the categories already discussed (total expenditures for the 11 were \$266,000). Forest Service personnel said some of the costs in these categories could benefit wilderness, but as with the larger categories, specific wilderness-related amounts are unknown.

In fiscal year 1990, a higher percentage of the funds designated for wilderness management were reprogrammed to other categories than were funds designated for either recreation management or cultural resource management. Forty-five percent of the funds designated for wilderness management were reprogrammed. By comparison, 38 percent of the funds designated for cultural resource management and 8 percent of the funds designated for recreation management were reprogrammed.

This pattern of shifting funds to other categories within the recreation uses budget activity was also present in fiscal years 1988 and 1989. Table I.2 shows expenditures for fiscal years 1988 through 1990. The main difference among the 3 years was that six of the categories within this budget activity were added in fiscal year 1990. However, the categories receiving the largest amounts of reprogrammed funds—timber management, land management planning, law enforcement, and visual resources—were present in all 3 years.

¹ Forest Service officials told us these costs are also included in the Timber Sale Program Information Reporting System, which is designed to capture all the costs of the timber sale program so that the correct profit or loss for the sale can be determined.

**Appendix I
Expenditures Within the Recreation Uses
Budget Activity**

**Table I.2: Expenditures Within
Recreation Uses Budget Activity, Fiscal
Years 1988 Through 1990**

Category	Fiscal years		
	1988	1989	1990
Recreation management	\$93,352,193	\$106,879,448	\$105,996,859
Cultural resource management	10,459,492	11,218,768	11,277,926
Wilderness management	8,543,032	10,158,475	9,646,273
Timber management	4,473,660	6,162,337	7,476,769
Land management planning	3,886,291	5,500,557	5,883,856
Law enforcement	3,447,596	4,524,267	5,216,146
Visual resources	1,601,177	1,965,075	2,161,385
Mineral and geology operations	102,647	118,895	97,009
Trail improvement	0	0	60,463
Special use lands	0	1,386	34,859
Facilities improvements/ operations	0	535	22,353
Transportation improvements	0	0	18,315
Wildlife habitat improvements/ operations	0	0	16,231
Watershed improvements/ operations	0	0	5,478
Range resource improvements	0	0	4,514
Fire management	102	0	4,302
Special activities	0	150	2,029
Forest pest management	0	0	175
Total	\$125,866,188	\$146,529,894	\$147,924,942

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