

2014 Annual Report



WASHINGTON STATE
Natural Resources



In cooperation with the Samish Indian Nation's Department of Natural Resources, DNR oversaw Puget Soundcorps and Veterans Conservation Corps crews who removed 117,000 pounds of Styrofoam, cars, boats boat houses, appliances, creosote and trash from the north fork Skagit River and greater San Juan Archipelago.



4 A Message from the Commissioner of Public Lands

6 Highlights / 2014

9 Fiscal Management Data*

37 Timber Management Data*

42 Acknowledgments

43 Contact Information and DNR Regions Map



Peter Goldmark

Commissioner of Public Lands

* Fiscal and timber pages account for the revenues DNR generated, collected, and expended during Fiscal Year 2014.

This report was prepared by the Washington State Department of Natural Resources (DNR). It provides information required by the following statutes: RCW 79.10.010, RCW 79.64.100 and RCW 79.64.030

On the cover:

The newly created 50,200-acre Teanaway Community Forest near Cle Elum is part of an important watershed featuring vital fish and wildlife habitat, a rich timber harvest and grazing history, and diverse recreation opportunities. In 2014, the Washington departments of Natural Resources (DNR) and Fish and Wildlife (WDFW) made substantial progress on a collaborative management plan for the picturesque landscape.



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Contents

A Message from the Commissioner of Public Lands



Peter Goldmark, a statewide elected official, is Washington's thirteenth Commissioner of Public Lands since statehood in 1889.

In 2014, as we celebrated Washington's 125th anniversary as a state, our citizens continued to benefit from the federal government's 1889 gift of land. Last year the Washington State Department of Natural Resources used this legacy to help generate \$265 million in non-tax revenue, which supports our schools, universities, state institutions, and county services. The state constitution directs

DNR to generate income from state lands for these trust beneficiaries. We must fulfill this constitutional mission while protecting and sustaining the stunning natural resources entrusted to our care. Healthy forests, thriving agricultural areas, and vibrant aquatic lands supply clean water, support local economies, and provide landscapes for recreation.

Last year, a landmark agreement between the U.S. Navy and DNR secured for the people of Washington the largest aquatic conservation easement in state history. This agreement preserves some 4,800 acres of Hood Canal bedlands from development for the next 55 years. It safeguards Navy access to the area, which is crucial for military readiness and national defense. The easement also protects Hood Canal, a unique marine habitat for fish, marine mammals, and birds, as well as one of the most productive shellfish growing areas in the world. It preserves the rights of local landowners, tribes, and shellfish harvesters to build new recreational docks and fish or harvest shellfish.

The fires and landslides our state experienced in 2014 remind us that natural disasters are an inevitable fact of life in Washington. The tragic SR 530 landslide in Snohomish County and the enormous fires that swept eastern Washington underscore the challenges of protecting, sustainably managing, and understanding our natural resources. Influenced by our state's warming climate and unique geology, these natural disasters make it imperative that DNR continue and expand its work to chart the state's geology, fight wildfires, and keep forests healthy.

Brutal temperatures, dry forests and unpredictable winds characterized the 2014 fire season, the worst ever in Washington. More than 315,000 acres of DNR-protected lands were consumed by about 900 wildfires last year. The largest fire in state history, the Carlton Complex, destroyed more than 300 structures and burned more than 250,000 acres.

Our work to improve the health of Washington's forests saved some areas and homes, and mitigated fire damage in other areas. Some homeowners near the Carlton Complex fire who had taken advantage of our "Firewise" program believed the preventative action protected their homes. DNR foresters and private landowners thinned trees and removed slash from thousands of acres. DNR staff continued to provide technical assistance to hundreds of landowners to reduce the vulnerability of forests to insects and disease. Together, these efforts help strengthen our landscape's resilience, with larger, healthier trees that are less susceptible to fire.

With more than 140 developed sites and 1,100 miles of trails, DNR provides outdoor recreation opportunities across 2.2 million acres. In partnership with community and conservation groups, we added off-road vehicle challenge trails in Reiter Foothills State Forest, new mountain bike trails in Tiger Mountain State Forest and an improved hiking trail to the top of Mailbox Peak, one of the best-loved mountains in the Cascades. Last year, we released for public comment a comprehensive plan for recreation along the Snoqualmie Corridor, an area that sees more than 800,000 visits each year, which will increase access to quality outdoor experiences for our state's citizens.

I am proud of the DNR scientists, law enforcement officers, foresters, firefighters, mechanics and others across the state who work hard to conserve and manage our natural resources on behalf of trust beneficiaries and the people of Washington. I look forward to engaging with you as we do everything we can to safeguard these resources and the revenue they produce for generations to come.

**PETER
GOLDMARK**
COMMISSIONER
OF PUBLIC LANDS



“Healthy forests, thriving agricultural areas, and vibrant aquatic lands supply clean water, support local economies, and provide landscapes for recreation.”

► On a misty October morning in the Naneum Ridge State Forest, a DNR forester uses a pole pruner to gather scion (small twigs) for the DNR Seed Orchard's grafting program.

Highlights/2014

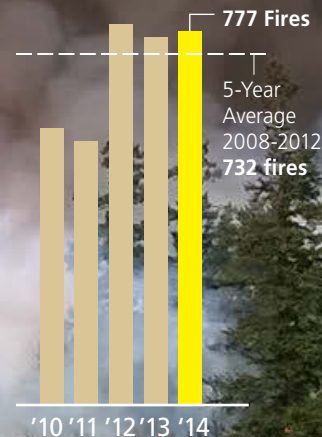


Wildfire Protection

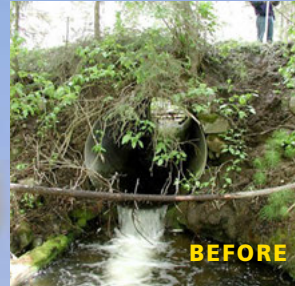
Fed by persistent hot and dry weather that aggravated already-volatile fire conditions, the 2014 wildfire season was the worst on record for the state of Washington. Even with more lightning strikes than normal, 75 percent of the 897 fires in DNR jurisdiction in 2014 were human-caused. Major fires in 2014 were: the Carlton Complex near Pateros, Mills Canyon near Entiat, Snag Canyon near Ellensburg, Watermelon Hill near Cheney and Lake Spokane near Spokane.

The lightning-sparked Carlton Complex Fire in July became the largest in the state's recorded history, burning 256,108 acres and destroying 322 residences.

SEE MORE PHOTOS



FIRES FOUGHT
DNR-PROTECTED
LANDS



BEFORE



AFTER

**SINCE 2003,
DNR'S FAMILY
FOREST FISH
PASSAGE
PROGRAM HAS
CORRECTED
343 FISH
BARRIERS AND
RECONNECTED
763 MILES OF
FISH HABITAT.**

Forest Landowners

In the 2014 field season, the Family Forest Fish Passage Program (FFFPP) completed 52 fish barrier removal projects opening 113 miles of upstream fish habitat. These barrier removal projects create construction jobs in rural communities, help revive salmon and trout populations, and are a great asset to landowners' properties. Also in 2014, DNR Forest Stewardship Program staff responded to 10,421 landowner inquiries and made 3,292 site visits to provide advice on forest health and management, wildlife habitat enhancement, and wildfire hazard reduction.

SEE MORE PHOTOS



Recreation

In the last year, DNR installed 5 miles of new motorized off-road vehicle trails and challenge areas, built nearly 9 miles of non-motorized trails, completed the new 4.7 mile Mailbox Peak hiking trail, and opened 3 miles of new Tiger Mountain State Forest mountain bike trails. During fiscal year 2014, DNR also hosted about 65,000 hours of volunteer efforts and successfully competed for grants to provide over 40 percent of its recreation funds. These efficiencies aid DNR in enabling more than 11 million diverse recreation visits across 3,400 square miles of state-managed lands, each year.

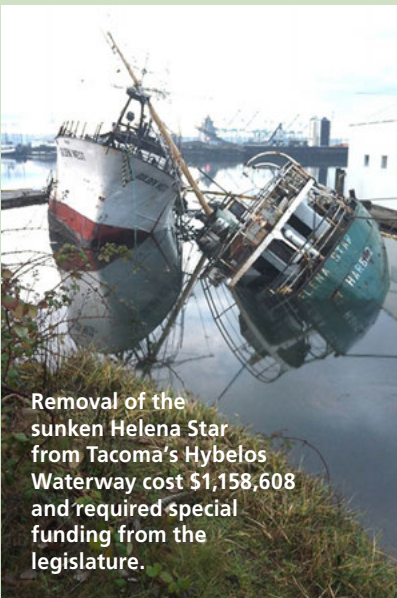
SEE MORE PHOTOS

Natural Areas

Using grants and legislatively appropriated funds, DNR last year acquired lands at 10 of the 91 designated natural areas it manages. Just under 65 acres were added to natural area preserves (NAPs) and about 473 acres were added to natural resources conservation areas (NRCAs) during calendar year 2014. Notable progress was made restoring a salt marsh at Secret Harbor at Cypress Island NRCA. **SEE MORE PHOTOS**



Salt marsh restoration at Secret Harbor, Cypress Island Natural Resources Conservation Area in Skagit County.



Removal of the sunken Helena Star from Tacoma's Hybemos Waterway cost \$1,158,608 and required special funding from the legislature.

Aquatic Resources & Lands

In 2014, DNR removed more than 1,250 toxic-laden creosote-treated wood pilings and more than 40 tons of debris from Washington's waterways. A \$4.5 million infusion from the legislature for the 2013-15 biennium allowed DNR's Derelict Vessel Removal Program to remove larger vessels threatening navigation and the environment, including the Helena Star (costing \$1,158,608); the Murph, (\$622,000), and the Golden West (588,650). In total, the program led efforts to remove 40 vessels, including a special project to clear seven abandoned boats and other marine debris from Snohomish County waterways. Also this year, DNR submitted a draft Aquatic Lands Habitat Conservation Plan to federal agencies.

SEE MORE PHOTOS

\$265

MILLION FOR BENEFICIARIES

Trust Land Production

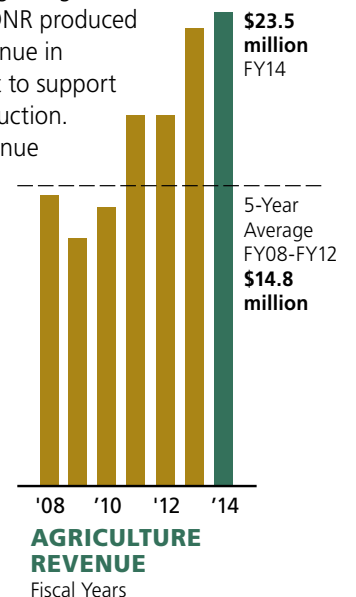
Total revenue from product sales, leasing and other activities on the 5.6 million acres of state trust lands managed by DNR produced \$265 million dollars for beneficiaries and land restoration activities in FY2014. The amount included \$120 million for common school construction and \$75 million for county services.

SEE MORE PHOTOS



Trust Land Leasing

The agriculture and grazing lands managed by DNR produced \$23.5 million in revenue in FY2014—much of it to support public school construction. The 9.7 percent revenue increase from the previous year came from rental adjustments, strong commodity prices, and ongoing public auction efforts to capture market opportunities.



Land Transactions

In its efforts to protect working forests and consolidate state trust lands into productive tracts while diversifying land holdings, DNR completed several land transactions in 2014.

Acquired acres

6,656 forested, 1,182 agriculture

Exchanged acres

+4,291

Recreation acres

8,651

Reconveyed acres

8,400

The largest acquisition was the Foothill Exchange (in Jefferson County)—a land exchange with a private owner that increased trust holdings by 4,291 acres. Of the 8,651 acres transferred into recreation at the request of local governments and other entities, the largest transaction was a 'reconveyance' of 8,400 acres to Whatcom County at the County's request. Also in 2014, DNR used Washington Wildlife & Recreation Program funds to add conservation acreage at several sites, including the Cypress Island Natural Resources Conservation Area (photo).

SEE MORE PHOTOS



Construction Starts on Nation's First Public Tsunami Refuge

In 2014, leaders of the Ocosta School District near Westport began work on a new \$1.38 million school building and gymnasium (left) that will double as the nation's first tsunami refuge. DNR geologists helped advise school district officials and the community about the danger the coastal community faces from tsunamis. DNR Geology and Earth Resources Division staff added new layers of geologic data to the Washington Geologic Information Portal. The new information includes reports on the chemical composition of rocks, radiometric age estimates of rocks and deposits, and locations of geothermal resources.

DNR People

The emergency response to the tragic landslide in Oso, Washington, in March 2014, included 230 DNR employees.

In July, 605 DNR employees responded to the Carlton Complex Fire along with other agencies. As the state's largest on-call fire department, DNR has more than 1,100 employees trained and available for dispatch to wildfires, including several hundred who have other permanent jobs with the agency. At the conclusion of fiscal year 2014, DNR's year-round permanent workforce was 1,252 employees. **SEE MORE PHOTOS**



At the site of the Oso landslide, DNR forester and firefighter Matt Fisher cleans a flag held by Washington National Guard medic Craig Burton.

PHOTOGRAPH BY BEN WOODWARD / DNR



OVERALL AGENCY OPERATIONS

- 10 Total Revenue
- 11 Total Expenditures
- 12 DNR-Administered Funds
- 13 Funds Administered by Other Entities

STATE GRANT LANDS

- 14 Resource Management Cost Account (RMCA)
- 15 State Grant Lands
- 16 RMCA Upland
- 17 General Distribution of Revenue from Upland State Grant Lands
- 18 Common School, Indemnity, and Escheat Grants
- 19 University Grants Original and Transferred (UW)
- 20 Charitable, Educational, Penal, and Reformatory Institutions Grant Grant (CEP&RI) Grants
- 21 Capitol Building Grant
- 22 Normal School Grant (EWU, CWU, WWU, and TESC)
- 23 Scientific School Grant (WSU)
- 24 Agricultural College Trust Management Account (ACTMA)
- 25 Agricultural School Grant (WSU)
- 26 Aquatic Resources and RMCA—Aquatic
- 27 General Distribution of Revenue from State-Owned Aquatic Lands

STATE FOREST LANDS

- 28 Forest Development Account (FDA)
- 29 General Distribution of Revenue from State Forest Lands
- 30 State Forest Lands

32 FISCAL NOTES

- 36 State Trust Lands Management Fund Accounting Report

ABOUT THESE PAGES

- ▶ These pages account for the revenues DNR generated, collected, and expended during Fiscal Year 2014 (July 1, 2013 – June 30, 2014).
- ▶ Most revenues DNR generated are from activities on upland state trust lands and aquatic lands. Distribution of revenue is governed by statute and varies according to trust and revenue source.
- ▶ DNR manages 2.1 million acres of forestlands that generate revenue for state trusts, mostly from timber sales. On pages 37 to 41, DNR provides data on timber management activities on forested state trust lands, as required by RCW 79.10.010(3).

- ▶ Fiscal information is presented as a combination of tables, pie charts, and notes. The notes provide context for the tables.
- ▶ Underlined bold numbers are totals or subtotals.
- ▶ Some pages show dollars in thousands. Totals may not add exactly due to rounding.
- ▶ There is no individual page for the Community College Forest Reserve Trust. (See Fund Activity, page 13).
- ▶ These pages include data for federally granted trust lands and for legislatively established trust lands, including State Forest Lands (formerly known as Forest Board lands). Trusts are listed individually.
- ▶ Counties that contain State Forest Lands, but are not listed for an activity, did not have that activity during Fiscal Year 2014.

Total Revenue | FY 2014

REVENUE BY SOURCE ¹	FY 2014	FY 2013
Source	Total Funds	Total Funds
Sales		
Timber Sale Removals	\$170,679	\$172,768
Timber Sales-Related Activities	29	231
Forest Road Assessments	12,155	11,178
Nursery Seedling Sales	2,768	3,090
Miscellaneous	390	336
	\$186,021	\$187,602
Leases		
Agriculture	\$23,499	\$22,625
Aquatic	31,795	23,672
Commercial Real Estate	9,595	9,524
Mineral and Hydrocarbon	1,654	1,229
Communication Sites	4,285	4,245
Rights-of-Way	1,008	954
Miscellaneous	2,662	3,044
	\$74,498	\$65,292
Other Revenue		
Interest Income	\$324	\$384
Fire Assessments and Cost Reimbursement	12,386	11,320
Grants and Contributions	14,732	24,299
Permits, Fees and Related Charges	3,323	3,222
Miscellaneous	1,051	1,922
	\$31,816	\$41,147
Total Revenue from Operations	\$292,335	\$294,041
Land Transfers ³	\$45,709	\$2,867
Land Bank ⁴	0	444
	\$45,709	\$3,310
Total Revenue		
Total	\$338,044	\$297,352

Amounts are reported in thousands of dollars.

■ About This Page

Revenues are shown for two years for comparison. Differences between the years reflect changes in market conditions, legal requirements, availability of resources, and other factors.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Total Expenditures | FY 2014

EXPENDITURES BY PROGRAM ²	FY 2014	FY 2013
Operating		
Agricultural Resources	\$1,770	\$1,794
Asset & Property Management	6,521	6,380
Product Sales & Leasing	37,106	43,797
Land Management	18,077	18,152
Aquatic Resources	13,933	13,314
Law Enforcement Services	1,184	1,176
Administration	4,697	4,213
Interagency Payments	8,785	8,199
Agency Support	16,340	16,486
Geology & Earth Resources	2,449	3,266
Forest Practices	15,261	14,159
Engineering Services	14,103	16,419
Resource Protection	18,721	17,888
Fire Suppression	30,904	47,123
Total Operating Expenditures	\$189,850	\$212,368
Capital		
Real Estate and Property Acquisition	\$110,673	\$15,702
Trust Land Transfers	40,494	2,402
Jobs Bill	10,171	15,624
Aquatic Resources	5,023	5,939
Forest Health	888	2,153
Facilities & Roads	736	3,978
Recreation & Natural Areas	725	2,395
Forest Practices ²	707	889
Total Capital Expenditures	\$169,416	\$49,082
Total Expenditures		
Total²	\$359,266	\$261,450

Amounts are reported in thousands of dollars.

About This Page

Expenditures are shown for two years for comparison. Differences between the years reflect changes in the programs, legal requirements, salaries and benefits, inflation, and other factors.

DNR's expenditures reflect the Department's diverse work.

Land management activities, funded by trust land revenue, are investments in the long-term benefits and productivity of the resources. Other activities, funded by non-trust revenue sources, support regulatory, assistance and resource protection programs, as well as agency operations.

Capital expenditures include land acquisitions on behalf of state trusts and natural areas.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

DNR-Administered Funds – Revenue and Expenditures | FY 2014

Fund Title	Beginning Balance 7/1/13	Revenue	Expenditure	Ending Balance 6/30/14
Trust Management Accounts*				
Forest Development (FDA) ³	\$11,197	\$19,862	\$(22,111)	\$8,947
Resources Management (RMCA) Total	52,050	46,514	(51,317)	47,246
RMCA Uplands Subtotal	16,022	33,366	(32,236)	17,152
RMCA Land Bank Subtotal	17,817	27	(2,310)	15,534
RMCA Aquatics Subtotal	18,209	13,120	(16,771)	14,558
Agricultural College (ACTMA)	47	1,392	(1,244)	195
	\$63,294	\$67,767	\$(74,672)	\$56,388
Other DNR-Administered Funds ¹⁴				
Access Road Revolving	\$3,949	\$12,383	\$(12,486)	\$3,846
Aquatic Lands Dredged Material	373	37	(68)	342
Aquatic Lands Enhancement ⁷	n/a	15,704	(1,728)	n/a
Conservation Areas Stewardship	200	47	(4)	242
Contract Harvesting Revolving	2,455	18,701	(17,943)	3,213
Derelict Vessel Removal ⁸	n/a	0	(630)	n/a
Forest and Fish Support ⁹	n/a	184	(4,600)	n/a
Forest Fire Protection Assessment	3,546	10,129	(7,084)	6,591
Forest Practice Application	679	806	(1,328)	157
Landowner Contingency Forest Fire	3,411	573	(309)	3,674
ORV and Nonhighway Vehicle ⁶	n/a	0	(2,159)	n/a
Park Land Trust Revolving ¹⁰	n/a	97	(1,223)	n/a
Real Property Replacement ³	25,008	5,337	(15,944)	14,402
Special Forest Products Outreach & Educ.	1	0	0	1
State Forest Nursery Revolving	1,666	2,774	(3,548)	891
Surface Mining Reclamation	1,060	1,597	(1,608)	1,049
Surveys and Maps	761	546	(468)	839
		\$68,913	\$(71,132)	
Total DNR-Administered Funds ¹⁴	N/A	\$136,680	\$(145,804)	N/A

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Amounts are reported in thousands of dollars.

About This Page

DNR's fiscal activity includes generating revenue for a variety of funds and accounts, some of which benefit state trust beneficiaries and some of which fund state programs, including DNR's own. DNR's fiscal activity also includes expenditures supporting its work. Some of the accounts that receive revenue from DNR or that fund DNR's expenditures are managed by DNR; others are managed by other agencies.

* These accounts fund DNR's management of state trust lands. Revenue may be carried over from year to year. As a result, any given year's expenditures do not necessarily correlate to that year's revenue.

** The RMCA trust balance includes \$15,534,747 dedicated by law (RCW 79.19) to Land Bank purchases of lands that replace previously sold trust lands.

See pages 14, 24, 26, and 28 for more detailed accounting. FDA and RMCA are funded through revenue generated from the lands whose management they support. ACTMA is not funded through such revenue, but instead, through a legislative appropriation from the State General Fund.

N/A = not applicable

Other Funds – Revenue and Expenditures | FY 2014

Fund Title	Revenue	Expenditure	Net Fiscal Activity
Trust Current Funds ¹³			
Common School Construction	\$95,799	\$0	\$95,799
Community College Forest Reserve	1,458	0	1,458
WSU Bond Retirement	1,657	0	1,657
UW Bond Retirement ¹⁹	1,775	0	1,775
CEP&RI	5,502	0	5,502
EWU Capital Projects	48	0	48
CWU Capital Projects	48	0	48
WWU Capital Projects	48	0	48
TESC Capital Projects	48	0	48
Capitol Building Construction	6,746	0	6,746
Forest Board Counties	52,872	0	52,872
	\$165,999	\$0	\$165,999
Trust Permanent Funds ¹³			
Agricultural College (WSU)	\$3,539	\$0	\$3,539
Normal School (EWU, CWU, WWU, TESC)	1,841	0	1,841
Common School (K-12)	720	0	720
Scientific (WSU)	6,139	0	6,139
State University (UW) ¹⁹	1,085	0	1,085
	\$13,325	\$0	\$13,325
Other Funds			
General Fund	\$19,618	\$(61,931)	\$(42,313)
Air Pollution Control	347	(313)	34
Cleanup Settlement Account	4,108	(4,082)	26
Developmental Disabilities Community Trust	11	0	11
Disaster Response	0	(1,074)	(1,074)
Environmental Legacy Stewardship	0	(1,657)	(1,657)
Marine Resources Stewardship Trust	3	(593)	(589)
NOVA Program	0	(274)	(274)
State Building Construction	7	(143,459)	(143,452)
State Toxics Control ¹⁷	(2,054)	(80)	(2,134)
	\$22,040	\$(213,463)	\$(191,423)
Total Activity - Other Funds	\$201,363	\$(213,463)	\$(12,100)
Total All Funds and Activities ¹⁴	\$338,044	\$(359,267)	

Amounts are reported in thousands of dollars.

Totals may not add due to rounding. See fiscal notes, pages 32-36.

■ About This Page

All revenue for the Community College Forest Reserve Trust was generated from leases. DNR expenditures from the fund were to purchase land for the trust.

Resource Management Cost Account (RMCA) | FY 2014

	EXPENDITURES	REVENUE
Source		
Beginning Balance (July 1, 2013)		\$52,049,658
RMCA Revenue		
Uplands		33,393,417
Aquatics		13,120,102
Operating Revenue		46,513,519
Less Expenditures ²		
Agricultural Resources	\$1,744,726	
Asset & Property Management	1,065,295	
Product Sales & Leasing	10,579,827	
Land Management	8,274,722	
Law Enforcement	642,869	
Correctional Camps	333,291	
Administration	1,044,226	
Interagency Payments	4,197,980	
Agency Support	5,954,163	
Aquatic Resources	12,837,971	
Engineering Services	1,577,850	
Total Operating Expenditures	48,252,920	
Total Capital Expenditures	3,064,515	
Total Expenditures and Other Charges	\$51,317,435	
Ending Fund Balance (June 30, 2014)*		\$47,245,742

■ About This Page

The Resource Management Cost Account (RMCA) funds DNR's Land Management activities on state grant lands. DNR deposits a portion of the revenue it generates from these lands into the account, and the legislature appropriates funds from the account to DNR for expenditures. The RMCA can be used only for land management expenses (e.g., reforestation, preparing timber sales, or managing aquatic leases) that support federally granted state lands.

* RMCA fund balance includes \$15,534,747 in upland trust reserved for Land Bank sell-first purchases. See page 16 for details.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

State Grant Lands | FY 2014

Source	REVENUE	DISTRIBUTION		
	Grand Total All Funds	Trust Current Funds ¹³	Trust Permanent Funds ¹³	Resource Management Cost Account ¹⁵
Sales				
Timber Sales ^{11, 15, 19}	\$80,274,913	\$43,247,221	\$13,927,858	\$23,099,834
Timber Sales-Related Activities ¹	18,201	1,889	8,959	7,354
Trust Land Transfer Program	39,232,000	39,232,000	0	0
Land Sales (Includes Land Bank) ⁴	0	0	0	0
	\$119,525,115	\$82,481,110	\$13,936,816	\$23,107,188
Leases				
Agriculture				
Dryland	\$6,405,961	\$4,048,441	\$536,904	\$1,820,616
Irrigated	16,118,180	10,756,333	751,586	4,610,261
Grazing and Other	904,858	610,560	35,390	258,907
Aquatic Lands				
Special Use	1,937,396	1,301,186	74,938	561,273
Commercial Real Estate	9,588,059	6,735,825	78,990	2,773,245
Mineral And Hydrocarbon	1,463,498	786,047	224,565	452,887
Rights-Of-Way	830,825	291,299	267,254	272,272
Communication Sites	2,842,900	1,523,508	512,556	806,836
Special Forest Products	238,140	145,103	24,002	69,035
	\$72,125,471	\$43,519,647	\$2,506,184	\$26,099,640
Other Revenue				
Interest Income	\$239,965	\$87,892	\$11,528	\$140,545
Non-Trust Revenue ¹⁶	195,505	0	0	195,505
Operating Transfer ^{1, 12}	(1,337,917)	3,431,003	(3,431,003)	(1,337,917)
Permits, Fees, and Miscellaneous ^{1, 17}	(3,536,657)	(2,146,293)	301,079	(1,691,443)
	\$(4,439,103)	\$1,372,602	\$(3,118,396)	\$(2,693,309)
Total Revenue	\$187,211,483	\$127,373,360	\$13,324,605	\$46,513,519

About This Page

State grant lands (upland and aquatic) were granted to Washington at statehood by the federal government. Each upland parcel is assigned to a specific state trust dedicated to financially supporting a specific beneficiary (e.g., the Common School Trust supports construction of K-12 schools).

The aquatic lands are designated as a public trust to benefit the public as a whole. Income from state grant lands is divided among trust beneficiary accounts and the RMCA, which DNR uses to manage the lands.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Resource Management Cost Account (RMCA) Upland | FY 2014

Source	Granted Trusts	Land Bank*	Total Uplands
Beginning Trust Balance (July 1, 2013)	\$16,022,803	\$17,817,615	\$33,840,418
Upland Revenue			
Total Upland Revenue	33,366,283	27,132	33,393,415
Less: Expenditures ²			
Agricultural Resources	1,744,726	0	1,744,726
Asset & Property Management	1,065,295	0	1,065,295
Product Sales & Leasing	10,579,827	0	10,579,827
Land Management	8,274,722	0	8,274,722
Law Enforcement	642,869	0	642,869
Correctional Camps	333,291	0	333,291
Administration	731,615	0	731,615
Interagency Payments	2,651,528	0	2,651,528
Agency Support	3,980,912	0	3,980,912
Engineering Services	1,577,850	0	1,577,850
Total Operating Expenditures	31,582,636	0	31,582,636
Total Capital Expenditures	653,646	2,310,014	2,963,660
Total Expenditures	32,236,282	2,310,014	34,546,296
Ending Trust Balance (June 30, 2014)	\$17,152,804	\$15,534,733	\$32,687,537

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

About This Page

This portion of the RMCA supports the management of upland state grant lands, each of which supports a specific, designated beneficiary.

* Land Bank revenue is dedicated by law (RCW 79.19) to purchases lands that replace previously sold trust lands.

About Next Page

Generally, by law, each beneficiary of the granted land trusts receives 70 percent of the revenue earned from its lands, and the remaining 30 percent goes to the RMCA to fund DNR's management of the lands. This chart shows the combined distribution in Fiscal Year 2014, with each trust beneficiary's share proportional to its share of the total revenue earned, and with the RMCA share divided among DNR's expenditures from the account for upland management activities.

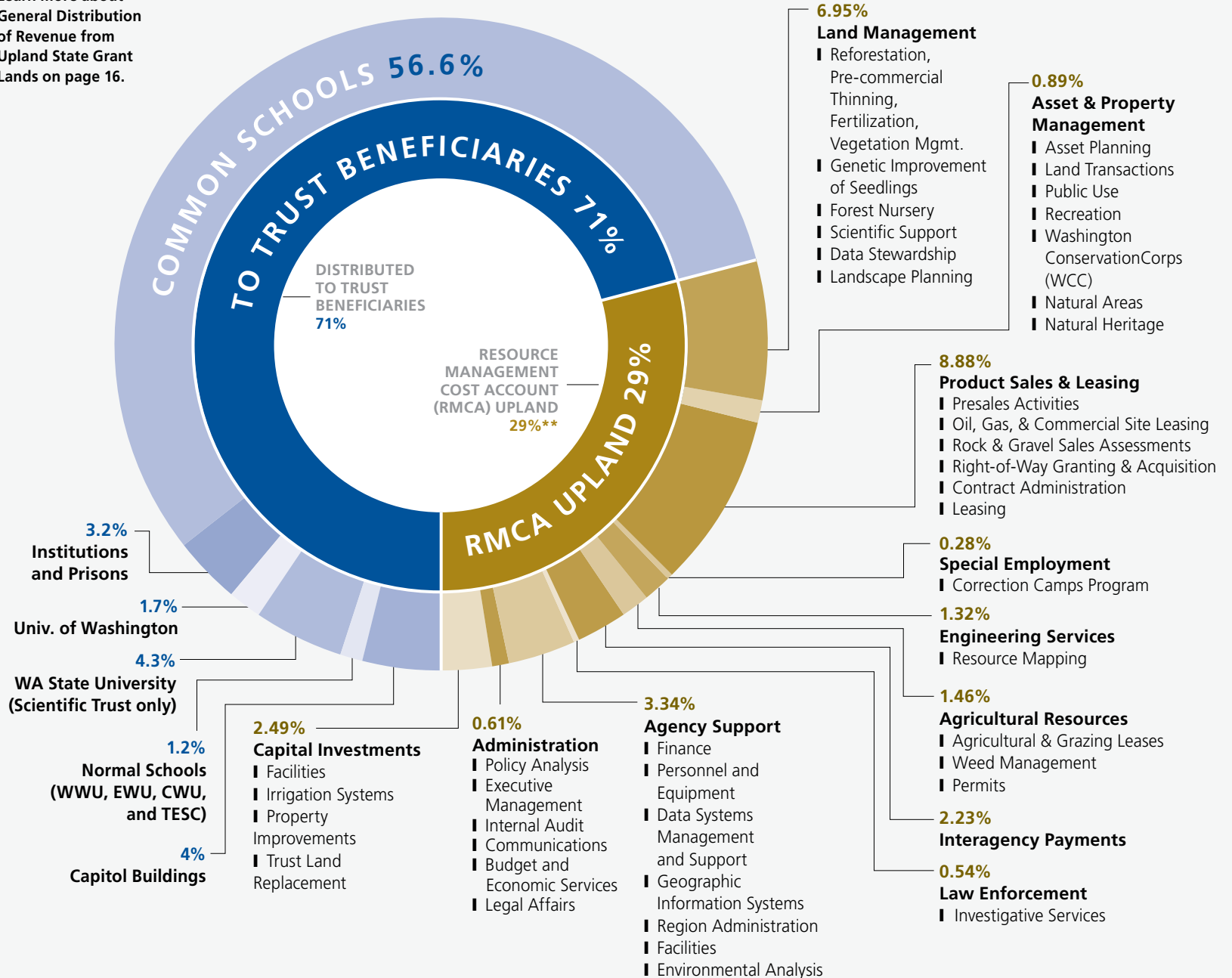
Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future income for the trusts.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contain examples only, not a complete listing. This chart does not include revenue from the Agricultural School trust lands because 100 percent of revenue from those lands is distributed to the trust.

** Per Board of Natural Resources Resolution #1407, the management fund deduction of revenues from granted lands was established at 29 percent, effective July 2, 2013, through June 30, 2015.

General Distribution of Revenue from Upland State Grant Lands* | FY 2014

Learn more about General Distribution of Revenue from Upland State Grant Lands on page 16.



Common School, Indemnity, and Escheat Grants | FY 2014

Source	REVENUE	DISTRIBUTION		
	Total Funds	Common School Construction	Common School Permanent	Resource Management Cost Account ¹⁵
Sales				
Timber Sales ^{11, 15}	\$45,404,531	\$32,121,591	\$0	\$13,282,941
Timber Sales-Related Activities ¹	3,606	1,423	(0)	2,183
Trust Land Transfer Program	39,232,000	39,232,000	0	0
Land Sales (Includes Land Bank) ⁴	0	0	0	0
	\$84,640,138	\$71,355,014	\$(0)	\$13,285,124
Leases				
Agriculture				
Dryland	\$5,086,316	\$3,611,674	\$0	\$1,474,642
Irrigated	15,056,319	10,688,166	0	4,368,153
Grazing and Other	829,010	588,525	0	240,485
Aquatic Lands	0	0	0	0
Special Use	1,758,834	1,248,723	0	510,111
Commercial Real Estate	9,466,864	6,727,042	0	2,739,823
Mineral And Hydrocarbon	326,128	13,037	218,596	94,495
Rights-Of-Way	335,539	37,542	200,526	97,471
Communication Sites	1,914,982	1,341,043	0	573,939
Special Forest Products	162,881	115,607	0	47,275
	\$34,936,874	\$24,371,359	\$419,122	\$10,146,393
Other Revenue				
Interest Income	\$128,881	\$73,120	\$133	\$55,629
Non-Trust Revenue ¹⁶	98,932	0	0	98,932
Operating Transfer ¹	(129,781)	0	0	(129,781)
Permits, Fees, and Miscellaneous ¹	365,595	0	301,079	64,516
	\$463,627	\$73,120	\$301,212	\$89,296
Totals	\$120,040,638	\$95,799,492	\$720,334	\$23,520,812

About This Page

Income from these state grant lands and escheat lands (those with no known heirs) supports construction of state public kindergarten through 12th grade schools.

The beneficiary's share of income is distributed to the Common School Construction Account and the Common School Permanent Account, which generates perpetual interest for the support of school construction. This distribution varies by activity and is governed by law.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

University Grants Original and Transferred (UW) | FY 2014

Source ¹⁹	REVENUE	DISTRIBUTION		
	Total Funds	UW Retirement Bond	State (UW) University Permanent	Resource Management Cost Account ¹⁵
Sales				
Timber Sales	\$4,440,862	\$0	\$2,506,214	\$1,934,648
Timber Sales-Related Activities ¹	4	0	3	1
Land Sales (Includes Land Bank)	0	0	0	0
	\$4,440,866	\$0	\$2,506,217	\$1,934,649
Leases				
Agriculture				
Dryland	\$276,683	\$0	\$196,416	\$80,267
Irrigated	0	0	0	0
Grazing and Other	29,289	0	20,795	8,494
Aquatic Lands	0	0	0	0
Special Use	7,233	0	5,136	2,098
Commercial Real Estate	103,472	0	73,638	29,834
Mineral And Hydrocarbon	0	0	0	0
Rights-Of-Way	66,605	0	47,289	19,315
Communication Sites	0	0	0	0
Special Forest Products	14,552	0	10,332	4,220
	\$497,834	\$0	\$353,606	\$144,228
Other Revenue				
Interest Income	\$2,980	\$157	\$176	\$2,647
Non-Trust Revenue ¹⁶	3,757	0	0	3,757
Operating Transfer ^{1, 12}	(1,190,692)	1,774,863	(1,774,863)	(1,190,692)
Permits, Fees, and Miscellaneous ¹	269	0	0	269
	\$(1,183,685)	\$1,775,021	\$(1,774,687)	\$(1,184,019)
Totals	\$3,755,014	\$1,775,021	\$1,085,136	\$894,858

About This Page

Income from these state grant lands supports construction of buildings for the University of Washington. Some of these lands were acquired at the time of statehood, and some lands were transferred to this trust from the CEP&RI trust by the legislature in 1893.

The beneficiary's share of income is distributed to the University Permanent and UW Bond Retirement accounts. This distribution varies by activity and is governed by law.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Charitable, Educational, Penal, and Reformatory Institutions Grant (CEP&RI) | FY 2014

Source	REVENUE	DISTRIBUTION	
	Total Funds	CEP & RI Account	Resource Management Cost Account ¹⁵
Sales			
Timber Sales	\$6,415,774	\$4,555,200	\$1,860,575
Timber Sales-Related Activities ¹	821	373	448
Land Sales (Includes Land Bank)	0	0	0
	\$6,416,595	\$4,555,573	\$1,861,023
Leases			
Agriculture			
Dryland	\$409,205	\$290,536	\$118,669
Irrigated	492	349	143
Grazing and Other	16,840	11,957	4,884
Aquatic Lands	0	0	0
Special Use	25,308	17,969	7,339
Commercial Real Estate	11,150	7,917	3,234
Mineral And Hydrocarbon	630,950	449,030	181,920
Rights-Of-Way	8,832	6,270	2,561
Communication Sites	200,950	142,007	58,943
Special Forest Products	27,950	19,783	8,167
	\$1,331,677	\$945,817	\$385,859
Other Revenue			
Interest Income	\$7,361	\$697	\$6,664
Non-Trust Revenue ¹⁶	9,512	0	9,512
Operating Transfer	0	0	0
Permits, Fees, and Miscellaneous ¹	2,314	0	2,314
	\$19,187	\$697	\$18,490
Totals	\$7,767,459	\$5,502,087	\$2,265,372

About This Page

Income from these state grant lands is used to establish and maintain institutions managed by the Department of Corrections (such as prisons) and the Department of Social and Health Services (such as the Western State Hospital).

The beneficiary's share of income is distributed to the CEP&RI Account.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Capitol Building Grant | FY 2014

Source	REVENUE	DISTRIBUTION	
	Total Funds	Capitol Building Construction	Resource Management Cost Account ¹⁵
Sales			
Timber Sales	\$9,368,092	\$6,570,431	\$2,797,661
Timber Sales-Related Activities ¹	727	92	635
Land Sales (Includes Land Bank)	0	0	0
	\$9,368,819	\$6,570,524	\$2,798,296
Leases			
Agriculture			
Dryland	\$73,396	\$52,111	\$21,285
Irrigated	0	0	0
Grazing and Other	3,632	2,579	1,053
Aquatic Lands	0	0	0
Special Use	21,351	15,159	6,192
Commercial Real Estate	1,221	867	354
Mineral And Hydrocarbon	8,411	5,972	2,439
Rights-Of-Way	68,864	48,871	19,992
Communication Sites	56,983	40,458	16,525
Special Forest Products	11,733	8,285	3,448
	\$245,591	\$174,302	\$71,289
Other Revenue			
Interest Income	\$9,294	\$786	\$8,508
Non-Trust Revenue ¹⁶	11,736	0	11,736
Operating Transfer ¹	(94,896)	0	(94,896)
Permits, Fees, and Miscellaneous ¹	197	0	197
	\$(73,669)	\$786	\$(74,455)
Totals	\$9,540,741	\$6,745,612	\$2,795,130

■ About This Page

Income from these state grant lands supports construction of state government office buildings at the Capitol Campus in Olympia.

The beneficiary's share of income is distributed to the Capitol Building Construction Account.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Normal School Grant (EWU, CWU, WWU and TESC) | FY 2014

Source	REVENUE	DISTRIBUTION		
	Total Funds	EWU, CWU, WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account ¹⁵
Sales				
Timber Sales ^{11, 15}	\$2,564,765	\$0	\$1,832,911	\$731,854
Timber Sales-Related Activities ¹	501	0	279	222
Land Sales (Includes Land Bank)	0	0	0	0
	\$2,565,266	\$0	\$1,833,190	\$732,076
Leases				
Agriculture				
Dryland	\$132,564	\$94,120	\$0	\$38,444
Irrigated	95,519	67,818	0	27,700
Grazing and Other	10,525	7,499	0	3,026
Aquatic Lands	0	0	0	0
Special Use	27,233	19,335	0	7,897
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	10,810	0	7,675	3,135
Communication Sites	0	0	0	0
Special Forest Products	2,010	1,428	0	582
	\$278,661	\$190,201	\$7,675	\$80,784
Other Revenue				
Interest Income	\$3,333	\$467	\$87	\$2,778
Non-Trust Revenue ¹⁶	3,768	0	0	3,768
Operating Transfer ¹	77,452	0	0	77,452
Permits, Fees, and Miscellaneous ¹	514	0	0	514
	\$85,067	\$467	\$87	\$84,512
Totals	\$2,928,993	\$190,669	\$1,840,953	\$897,372

About This Page

Income from these state grant lands supports construction at Eastern Washington University, Central Washington University, and Western Washington University (regional universities). These three universities were originally called 'normal schools.' The Evergreen State College (TESC) was added to this trust by the legislature to begin receiving revenue after July 1, 1995.

The beneficiary's share of income is distributed to the Normal School Permanent Account and capital project accounts for each university. This distribution varies by activity and is governed by law.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Scientific School Grant (WSU) | FY 2014

Source	REVENUE	DISTRIBUTION		
	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account ¹⁵
Sales				
Timber Sales	\$8,602,177	\$0	\$6,110,020	\$2,492,157
Timber Sales-Related Activities ¹	12,290	0	8,426	3,864
Land Sales (Includes Land Bank)	0	0	0	0
	\$8,614,467	\$0	\$6,118,446	\$2,496,021
Leases				
Agriculture				
Dryland	\$301,066	\$0	\$213,757	\$87,309
Irrigated	738,880	0	524,615	214,265
Grazing and Other	3,331	0	2,365	966
Aquatic Lands	0	0	0	0
Special Use	95,372	0	67,737	27,635
Commercial Real Estate	0	0	0	0
Mineral and Hydrocarbon	0	0	0	0
Rights-Of-Way	11,479	0	8,150	3,329
Communication Sites	543,658	0	386,229	157,429
Special Forest Products	17,802	0	12,458	5,344
	\$1,711,588	\$0	\$1,215,311	\$496,277
Other Revenue				
Interest Income	\$24,092	\$349	\$10,685	\$13,059
Non-Trust Revenue ¹⁶	12,680	0	0	12,680
Operating Transfer ¹²	0	1,205,203	(1,205,203)	0
Permits, Fees, and Miscellaneous ¹	1,836	0	0	1,836
	\$38,609	\$1,205,551	\$(1,194,518)	\$27,575
Totals	\$10,364,664	\$1,205,551	\$6,139,239	\$3,019,873

About This Page

Income from these state grant lands supports construction of buildings at Washington State University. The beneficiary's share of income is distributed to the Scientific School Permanent and the WSU Bond Retirement accounts. This distribution varies by activity and is governed by law.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Agricultural College Trust Management Account (ACTMA) | FY 2014

	EXPENDITURES	REVENUE
Source		
Beginning Fund Balance (July 1, 2013)		\$46,929
Revenue		
Operating Revenue *		3,061
Interfund Transfer from General Fund ⁵		1,389,000
Total Revenue		\$1,392,061
Less Expenditures ²		
Agricultural Resources	\$25,443	
Asset & Property Management	29,669	
Product Sales & Leasing	460,551	
Land Management	356,819	
Law Enforcement	14,865	
Correctional Camps	19,077	
Administration	30,807	
Interagency Payments	68,642	
Agency Support	181,433	
Engineering Services	56,358	
Total Operating Expenditures	1,243,664	
Total Capital Expenditures	0	
Total Expenditures and Other Charges	\$1,243,664	
Ending Fund Balance (June 30, 2014)		\$195,325

About This Page

This account funds DNR's management of the Agricultural College trust lands. The ACTMA is funded through an appropriation from the state General Fund. (As of July 1, 1999, Agricultural College trust lands do not contribute to the RMCA, which supports DNR's management of other state grant lands.)

*Includes treasurer's interest. See accompanying notes on pages 12-16.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Agricultural School Grant (WSU) | FY 2014

Source	REVENUE	DISTRIBUTION	
	Total Funds	WSU Bond Retirement	Agricultural College Permanent
Sales			
Timber Sales	\$3,478,712	\$0	\$3,478,712
Timber Sales-Related Activities ¹	252	0	252
Asset Transfer/Loan Repayment	0	0	0
Land Sales (Includes Land Bank)	0	0	0
	\$3,478,963	\$0	\$3,478,963
Leases			
Agriculture			
Dryland	\$126,731	\$0	\$126,731
Irrigated	226,971	0	226,971
Grazing and Other	12,231	0	12,231
Aquatic Lands	0	0	0
Special Use	2,065	0	2,065
Commercial Real Estate	5,352	0	5,352
Mineral and Hydrocarbon	5,968	0	5,968
Rights-Of-Way	3,613	0	3,613
Communication Sites	126,327	0	126,327
Special Forest Products	1,212	0	1,212
	\$510,470	\$0	\$510,470
Other Revenue			
Interest Income	\$627	\$180	\$447
Non-Trust Revenue	0	0	0
Operating Transfer ¹²	0	450,937	(450,937)
Permits, Fees, and Miscellaneous	0	0	0
	\$627	\$451,117	\$(450,490)
Totals	\$3,990,060	\$451,117	\$3,538,943

■ About This Page

Income from these state grant lands supports construction of Washington State University's buildings. All revenue from these lands is income for the trust and is divided between the Agricultural College Permanent Account and the WSU Bond Retirement Account. This distribution varies by activity and is governed by law.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Aquatic Resources | FY 2014

Source	REVENUE		DISTRIBUTION	
	Total Funds	Aquatic Lands Enhancement	Resource Management Cost Account ¹⁵	
Aquatic Resources Activities				
Leases	\$31,795,654	\$17,321,345	\$14,474,309	
Mineral and Hydrocarbon	492,041	318,007	174,033	
Rights-Of-Way	325,083	198,615	126,468	
Interest Income ¹	63,398	12,137	51,261	
Non-Trust Revenue ¹⁶	55,120	0	55,120	
Miscellaneous ^{1, 17}	(3,907,382)	(2,146,293)	(1,761,089)	
Total Revenue	\$28,823,914	\$15,703,812	\$13,120,102	

RMCA | AQUATIC

Source	EXPENDITURES	REVENUE
Beginning Trust Balance (July 1, 2013)		\$18,209,240
Aquatic Revenue		
Total Revenue		\$13,120,102
Less Expenditures ²		
Aquatic Resources	\$12,837,971	
Administration	312,609	
Interagency Payments	1,546,452	
Agency Support	1,973,251	
Total Operating Expenditures	16,670,283	
Total Capital Expenditures	100,855	
Total Expenditures and Other Charges	\$16,771,138	
Ending Trust Balance (June 30, 2014)		\$14,558,204

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

■ About This Page

State-owned aquatic lands (tidelands, shorelands and beds of navigable waters) are a “public trust”—managed to benefit the public as a whole. Revenue from these granted state lands is divided between two accounts: The RMCA-aquatic supports DNR’s management of state aquatic lands and resources, and the ALEA provides for the purchase, improvement and protection of aquatic lands, largely through grants to public entities. Distribution varies according to activity and land classification and is governed by law.

► About Next Page

By law, revenue from state-owned aquatic lands goes to the Aquatic Lands Enhancement Account (ALEA) for aquatic resource enhancement and to the RMCA to fund DNR’s management of state aquatic lands. Distribution differs for different types of aquatic land — see the small pie charts.

The large pie chart shows the combined total distribution, with the ALEA share divided among state agency expenditures from that account, and the RMCA share divided among DNR’s expenditures from the RMCA. Expenditures are appropriated by the legislature and are ongoing investments to keep the submerged lands productive.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

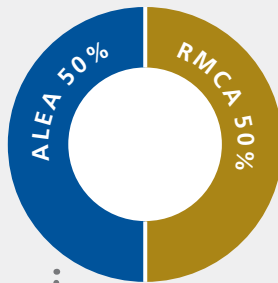
** The ALEA portion of revenue from harbor areas in fourth-class towns is redistributed to those towns twice each year. See fiscal note #7, page 32.

Totals may not add due to rounding. See fiscal notes, pages 32-36.

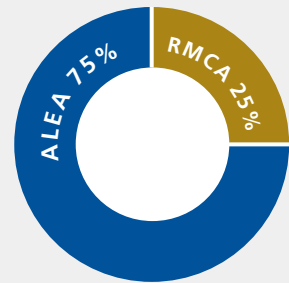
General Distribution of Revenue from State-Owned Aquatic Lands* | FY 2014

Learn more about general distribution of revenue from state-owned aquatic lands on page 26.

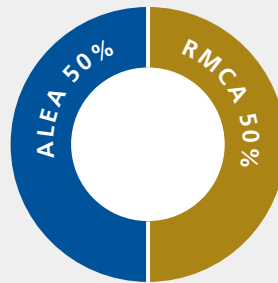
BEDS OF NAVIGABLE WATERS



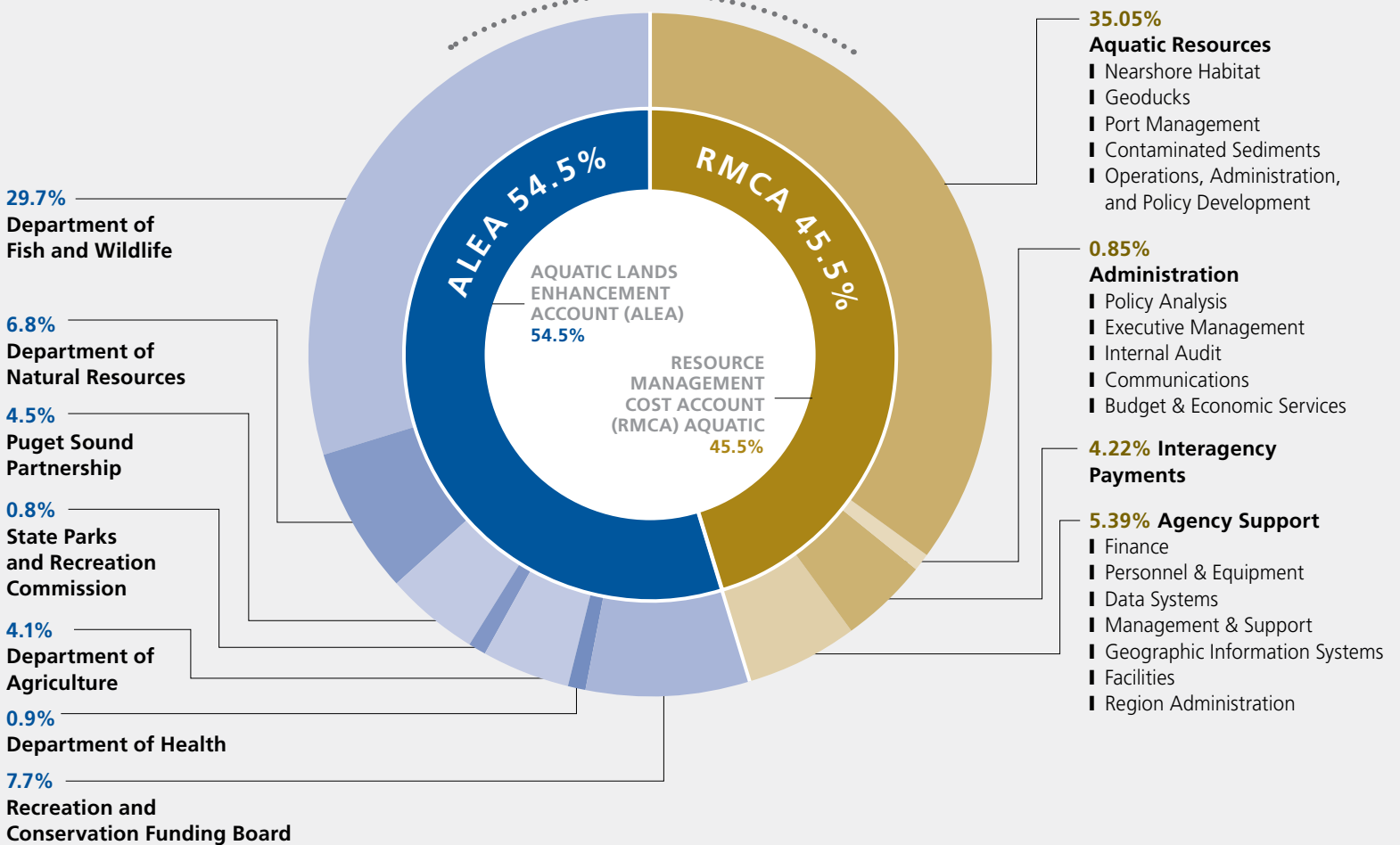
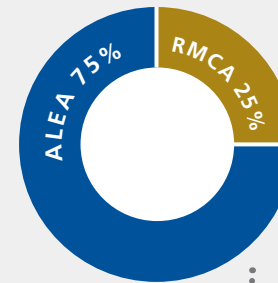
FIRST CLASS TIDELANDS & SHORELANDS



SECOND CLASS TIDELANDS & SHORELANDS



HARBOR AREAS**
Effective 2/6/06



- 35.05% Aquatic Resources**
 - Nearshore Habitat
 - Geoducks
 - Port Management
 - Contaminated Sediments
 - Operations, Administration, and Policy Development

- 0.85% Administration**
 - Policy Analysis
 - Executive Management
 - Internal Audit
 - Communications
 - Budget & Economic Services

- 4.22% Interagency Payments**

- 5.39% Agency Support**
 - Finance
 - Personnel & Equipment
 - Data Systems
 - Management & Support
 - Geographic Information Systems
 - Facilities
 - Region Administration

- 29.7% Department of Fish and Wildlife**
- 6.8% Department of Natural Resources**
- 4.5% Puget Sound Partnership**
- 0.8% State Parks and Recreation Commission**
- 4.1% Department of Agriculture**
- 0.9% Department of Health**
- 7.7% Recreation and Conservation Funding Board**

Forest Development Account (FDA) | FY 2014

	EXPENDITURES	REVENUE
Source		
Beginning Fund Balance (July 1, 2013)		\$11,197,113
Revenue		
Operating Revenue		19,861,509
Total Revenue		\$19,861,509
Less Expenditures ²		
Agricultural Resources	\$32	
Asset & Property Management	420,197	
Product Sales & Leasing	8,100,130	
Land Management	6,218,148	
Law Enforcement	190,958	
Correctional Camps	511,501	
Administration	521,036	
Interagency Payments	1,676,653	
Agency Support	2,846,688	
Engineering Services	1,388,727	
Total Operating Expenditures	21,874,069	
Total Capital Expenditures	237,152	
Total Expenditures and Other Charges	\$22,111,221	
Ending Fund Balance (June 30, 2014)		\$8,947,401

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

■ About This Page

The FDA funds DNR's land management activities on State Forest Lands (formerly known as Forest Board Lands) in 21 counties. DNR deposits a portion of the revenue it generates from these lands into the FDA, and the legislature appropriates funds from the account to DNR for expenditures. The FDA is used for trust land management expenses (e.g., reforestation, preparing timber sales) on State Forest Lands.

► About Next Page

By law, revenue from State Forest Lands (formerly known as Forest Board Lands) goes to the county in which the land is located, the state general fund for the support of Common Schools, and to the FDA to fund DNR's management of the lands. Distribution differs for Transfer lands and Purchase lands—see the small pie charts.

The large pie chart shows the combined total distribution for Fiscal Year 2014, with the FDA share divided among DNR's expenditures from the account. Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future revenue.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

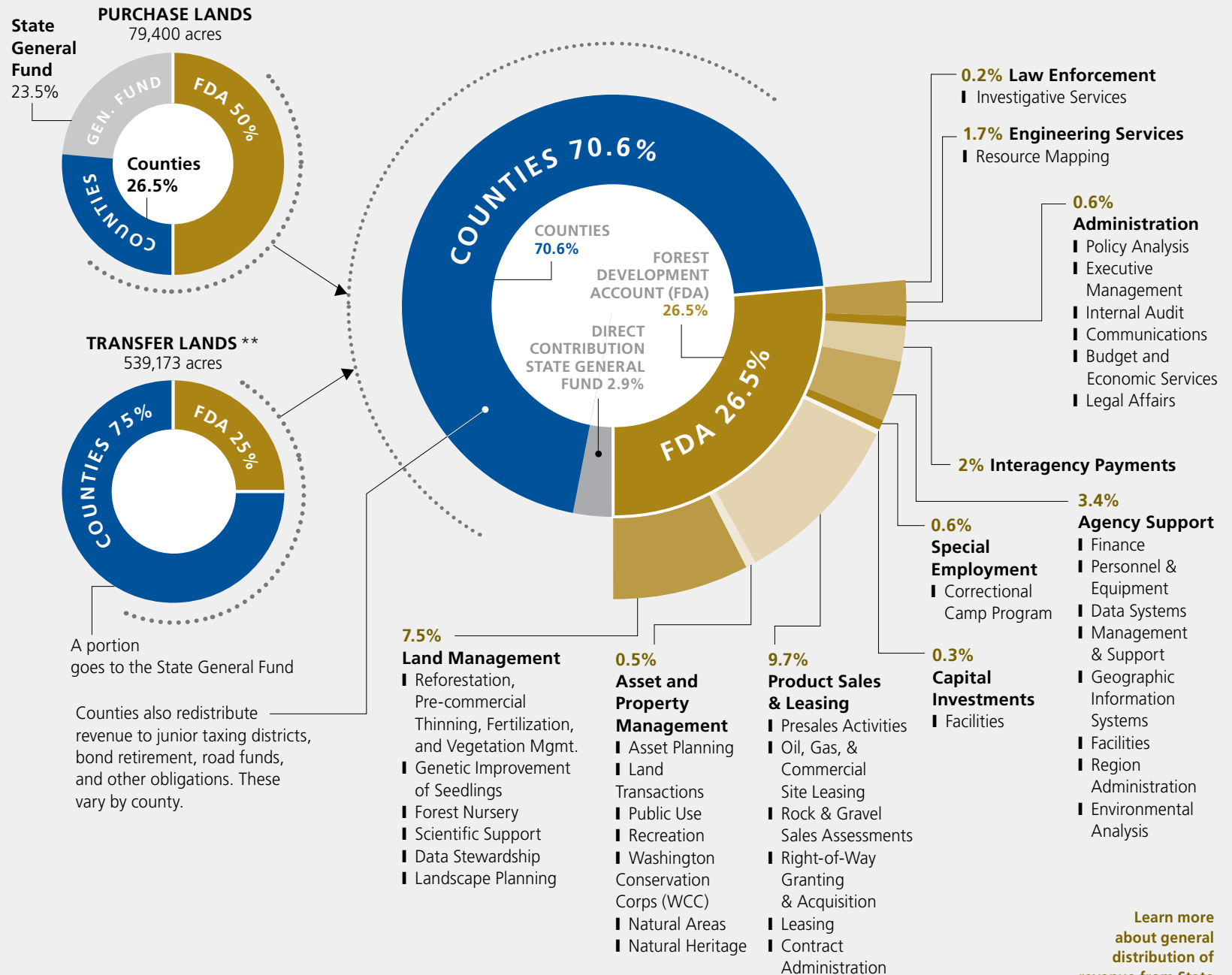
** Per Board of Natural Resources Resolution No.1408, the management fund deduction for FDA was increased to 25% effective 7/2/13.

Totals may not add due to rounding. See fiscal notes, pages 32-36.

Purchase lands,
see definition on page 30.

Transfer lands,
see definition on page 31.

General Distribution of Revenue from State Forest Lands* | FY 2014



Learn more about general distribution of revenue from State Forest Lands on page 28.

State Forest Lands | FY 2014

Source	REVENUE	CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands
Sales			
Timber Sales	\$71,064,742	\$64,846,458	\$6,218,284
Timber Sales-Related Activities ¹	10,857	10,847	10
	\$71,075,598	\$64,857,304	\$6,218,294
Leases			
Agriculture/Minor Forest Products	\$344,725	\$296,097	\$48,628
Commercial/Special Use	75,313	56,443	18,871
Mineral and Hydrocarbon	190,231	190,231	0
Rights-Of-Way	161,479	167,724	(6,245)
Communication Sites	1,433,544	1,030,585	402,959
	\$2,205,294	\$1,741,080	\$464,213
Other Revenue			
Interest Income ¹	\$8,999	\$6,337	\$2,662
Permits, Fees, and Miscellaneous ^{1,3}	1,084,450	1,084,450	0
Treasurer's Revenue ¹⁸	2,982	n/a	n/a
FDA Non-Trust Revenue ¹⁶	494,784	n/a	n/a
	\$1,591,216	\$1,090,787	\$2,662
Totals	\$74,872,108	\$67,689,171	\$6,685,170

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

■ About This Page and Next Page

Income from these lands is distributed to the counties in which the lands are located, the state general fund for the support of common schools, and the Forest Development Account (FDA) for DNR's Land Management expenses on these lands. There are two categories of State Forest Lands (formerly known as Forest Board Lands): Purchase lands and Transfer lands.

Purchase lands were given to the state or purchased by the state at low cost. The FDA receives half the income from these lands. The other half is divided between the respective county and the state general fund for the support of common schools.

N/A: Not applicable.

State Forest Lands | FY 2014 CONTINUED

Recipient	REVENUE DISTRIBUTION		CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands	
County				
Clallam	\$7,893,603	\$7,893,603	\$0	
Clark	8,973,728	8,958,043	15,685	
Cowlitz	910,687	905,165	5,522	
Grays Harbor	752,215	317	751,898	
Jefferson	999,772	999,772	0	
King	1,890,530	1,890,530	0	
Kitsap	391,116	367,604	23,512	
Klickitat	289,340	289,340	0	
Lewis	4,846,061	4,833,074	12,987	
Mason	2,198,864	2,198,001	862	
Okanogan	1	1	0	
Pacific	2,586,022	1,757,908	828,114	
Pierce	95,225	97,169	(1,944)	
Skagit	4,890,373	4,849,732	40,642	
Skamania ³	2,054,647	2,019,734	34,913	
Snohomish	7,694,885	7,694,885	0	
Stevens	77,903	77,903	0	
Thurston	1,975,966	1,651,130	324,836	
Wahkiakum	1,649,205	1,649,205	0	
Whatcom	2,698,637	2,642,983	55,654	
Treasurer's Revenue ¹⁸	2,982	n/a	n/a	
	\$52,871,760	\$50,776,098	\$2,092,680	
Forest Development Account				
Trust Activity	\$19,118,393	\$16,666,118	\$2,452,276	
Permits, Fees, & Miscellaneous ¹	248,332	246,956	1,375	
Treasurer's Revenue	0	n/a	n/a	
FDA Non-Trust Revenue ¹⁶	494,784	n/a	n/a	
	\$19,861,509	\$16,913,074	\$2,453,651	
General Fund - State	\$2,138,838	\$0	\$2,138,838	
Totals	\$74,872,108	\$67,689,171	\$6,685,170	

Transfer lands were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to the state. DNR now manages these lands and distributes at least 75 percent of the income to the counties and up to 25 percent of the income to the Forest Development Account (FDA).

N/A: not applicable.

See Fiscal Notes, pages 32-36. Totals may not add due to rounding.

Fiscal Notes

These numbered notes provide context and explanations for data in the tables on the fiscal pages that follow, where they are referred to by numerical superscript. A note may apply to more than one page. Although similar to notes in prior reports, these notes apply only to this report (FY 2014).

ACRONYMS

ACTMA	Agricultural College Trust Management Account
AFRS	Agency Financial Reporting System
ALEA	Aquatic Lands Enhancement Account
CEP&RI	Charitable, Educational, Penal, and Reformatory Institutions Trust
COLA	Cost of Living Adjustment
CWU	Central Washington University
EWU	Eastern Washington University
FDA	Forest Development Account
FY14	Fiscal Year 2014 (July 1, 2013 – June 30, 2014)
K-12	Kindergarten to 12th grade schools
RMCA	Resource Management Cost Account
TESC	The Evergreen State College
UW	University of Washington
WSU	Washington State University
WWU	Western Washington University

1 | REVENUE SOURCES

Timber sales include non-trust activity for contract harvesting sales.

Timber sale-related activities include contract extensions, slash disposal, trespasses, and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, and surveys and maps.

Miscellaneous leases include special use and special forest products.

Interest income includes interest on contracts, interest assessed for late payments, and interest earned from account (treasurer's interest).

Permits, fees and related charges include surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fee, application/assignment fees, burning permit fees, and local government assessments.

Operating transfers include transfers attributed to prior period revenue.

Miscellaneous other revenue includes prior period adjustments, recoveries of prior biennium expenditures, miscellaneous treasurer transfers, as well as revenue from the ORV & Nonhighway Vehicle and Natural Resources Conservation Areas Stewardship accounts.

2 | EXPENDITURE CATEGORIES

Administration includes Executive Management & Operations, Internal Audit, Communications, Policy & Governmental Operations, Budget & Economics and Legal Compliance.

Interagency payments are payments made to other state agencies (the Attorney General, State Auditor, Financial Management, Dept. of Enterprise Services, Secretary of State, etc.) and various telecommunication vendors for services they provide to the department.

Agency support includes the following programs: Human Resources (personnel, safety, training), Financial Management (accounting, payroll, risk management, purchasing), Information

Management, Geographic Information Systems, Facilities, Region Administration, and Environmental Analysis.

Total Expenditures of \$359,265,894 for Fiscal Year 2014 excludes the interfund transfer from General Fund to the Agricultural College Trust Management Account in the amount of \$1,389,000 (see footnote #5).

3 | LAND TRANSFERS

Real Property Replacement: During Fiscal Year 2014, a total of \$5,392,314, an amount equivalent to the property value, was received from (1) transfers to other government entities, (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This money is used to acquire replacement trust lands.

Trust Land Transfer: During Fiscal Year 2014 a total of \$39,232,000 was distributed to the Common School Construction Account from the Trust Land Transfer program.

Encumbered State Forest Land: During Fiscal Year 2014 Encumbered State Forest Land Transfers, a program enabled by Second Substitute House Bill 1484, resulted in distributions of \$245,143 to the Forest Development Account and \$839,108 to Skamania County.

4 | LAND BANK

DNR uses the Land Bank program (RCW 79.19) to reposition trust land assets for better future income production.

Through the Land Bank, state trust lands are first auctioned to private buyers. Proceeds of land sales made under this "sell first" process are held in the Resource Management Cost Account (RMCA) until they can be used to purchase replacement trust lands. This revenue from trust property sales should equal or exceed the cost of trust property purchases. However, during any one fiscal year, the transactions may not balance. (e.g., a property has been sold, but property to replace it has not yet been purchased). Land bank transactions are accounted for by trust within each of DNR's management funds.

Revenue from Fiscal Year 2014 sales, existing contracts and interest was \$27,132 to the RMCA. A total of \$15,534,747 in the RMCA is reserved to acquire property to replace trust property previously sold through the "sell first" process of the Land Bank program.

5 | AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT

Per RCW 79.64.090 the revenue on Agricultural College trust lands is distributed 100 percent to the agricultural college permanent fund or WSU bond retirement account. The management of the agricultural college trust lands is funded from the Agricultural College Trust Management Account. This account is dependent on legislative appropriation for funding. Currently, the legislature appropriates the money for this purpose from General Fund under a proviso. For Fiscal Year 2014 the total interfund transfer from General Fund was \$1,389,000.

6 | ORV & NONHIGHWAY VEHICLE ACCOUNT

This account provides for acquisition, planning, development, maintenance and management of ORV recreation facilities, non-highway roads and non-highway road recreation facilities; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trailheads.

DNR, the Department of Fish and Wildlife, and the Parks and Recreation Commission spend from the account in support of these functions. The Department of Licensing collects revenue for the account from taxes, licenses, permits, and fees. DNR administers the account according to legislative appropriations.

See **Figure 1** for the account's total fiscal activity for Fiscal Year 2014.

7 | AQUATIC LANDS ENHANCEMENT ACCOUNT

This account provides for the purchase, improvement, and protection of aquatic lands for public purposes. DNR, the Department of Fish and Wildlife, the Department of Agriculture, the Parks and Recreation Commission, the Recreation and Conservation Funding Board, the Department of Health, and the Puget Sound Partnership spend from the account for these purposes. DNR administers this account, and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 2** for the account's total fiscal activity for Fiscal Year 2014.

Figure 1

ORV & Nonhighway Vehicle Account		
Beginning Balance		\$566,235
Revenue		
Licensing	\$2,493,175	
Natural Resources	0	2,493,175
Expenditures		
Natural Resources	\$(2,158,970)	
Fish and Wildlife	(189,999)	
Parks and Recreation	(130,071)	(2,479,039)
Net Fiscal Activity		14,135
Ending Balance		\$580,370

Figure 3

Derelict Vessel Removal Account		
Beginning Balance		\$666,005
Revenue		
Licensing	\$760,779	
Natural Resources	397	761,176
Expenditures		
Natural Resources	(629,606)	
Licensing	(66)	(629,673)
Net Fiscal Activity		131,503
Ending Balance		\$797,508

Figure 4

Forest and Fish Support Account		
Beginning Balance		\$3,738,301
Revenue		
Dept of Revenue	\$5,134,376	
Natural Resources	184,228	5,318,604
Expenditures		
Natural Resources		(4,600,296)
Net Fiscal Activity		718,308
Ending Balance		\$4,456,610

Figure 5

Park Land Trust Revolving Account		
Beginning Balance		\$545,150
Revenue		
Parks and Recreation (Discover Pass)	\$1,484,894	
Natural Resources	95,729	
Special Approp. to the Governor*	639,000	
Treasurer's Deposit Income	1,055	2,220,678
Expenditures		
Natural Resources	(1,222,217)	
Recreation & Conservation Funding Board	(932)	(1,223,150)
Net Fiscal Activity		997,529
Ending Balance		\$1,542,679

*Special Appropriation is transfer from the General fund per ESSB60020.

Figure 2

Aquatic Lands Enhancement Account		
Beginning Balance		\$4,993,806
Revenue		
Natural Resources	\$15,852,961	
Agriculture	7,749	
Fish and Wildlife	530	
Treasurer's Deposit Income	850	
Distribution to Fourth-Class Towns	(67,303)	
Treasurer's Transfer*	(150,000)	15,644,788
Expenditures		
Fish and Wildlife	(7,545,518)	
Recreation & Conservation Funding Board	(1,952,504)	
Natural Resources	(1,727,769)	
Puget Sound Partnership	(1,143,990)	
Agriculture	(1,049,268)	
Health	(218,759)	
Parks and Recreation	(192,532)	
University of Washington	(3,968)	(13,834,307)
Net Fiscal Activity		1,810,481
Ending Balance		\$6,804,286

*Treasurer transfer is for transfer to the Geoduck Aquaculture Research account per ESSB6002.

Figure 6

FDA/RMCA Loan Repayment		
	FY 2014	Total-To-Date
Common School Construction Account	\$186,620	\$24,877,114
Capitol Building Construction Account	71,140	9,483,157
Normal School Permanent Account	227,724	30,456,460
State University Permanent Account	893,019	15,556,053
Total Trust Funds	\$1,378,503	\$80,372,784
Resource Management Cost Account		
Common School Trust	\$62,271	\$8,290,843
Capitol Building Trust	23,756	3,163,386
Normal School Trust	75,800	10,091,826
University School Trust	297,673	5,185,352
Total RMCA	\$459,501	\$26,731,407

8 | DERELICT VESSEL REMOVAL ACCOUNT

This account provides for costs and reimbursements to authorized public entities for the removal of derelict and abandoned vessels. DNR spends from the account for these purposes, and the Department of Licensing spends from the account for the purpose of administering the collection of revenue for the fund. DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See **Figure 3** for the account's total fiscal activity for Fiscal Year 2014.

9 | FOREST AND FISH SUPPORT ACCOUNT

This account was created in 2007 to provide for activities pursuant to the state's implementation of the Forests and Fish Report as defined in chapter 76.09 RCW and related activities, including, but not limited to, adaptive management, monitoring, participation grants to tribes, state and local agencies, and not-for-profit public interest organizations.

DNR spends from the account for these purposes, and the Department of Revenue spends from the account for the purpose of administering the collection of revenue for the fund. Sources of revenue for this account include surcharges on timber and wood product manufacturers, extractors, and wholesalers per RCW 82.04.260 (12).

DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 4** for the account's total fiscal activity for Fiscal Year 2014.

10 | PARK LAND TRUST REVOLVING ACCOUNT

This account is used for acquiring real property as a replacement for the property transferred to the State Parks and Recreation Commission in order to maintain the land base of

the affected trusts, and to receive voluntary contributions for the purpose of operating and maintaining public use and recreation facilities. This account may also be used to hold funding for future acquisition of lands for the Community Forest Trust Program or to purchase replacement forest land.

In May 2011, the Governor signed the Discover Pass into law (see also RCW Title 79A), intended to provide revenue to maintain recreation access to state lands and meet the increasing demand for outdoor recreation. Effective July 1, 2011, the Discover Pass was required for vehicle access to recreation lands which include state parks, boat launches, campgrounds, heritage sites, wildfire and natural areas, and trails and trailheads. DNR's portion (8%) of this revenue is transferred to this account by the State Parks and Recreation Commission. DNR's recreation program spends from this portion of the account.

DNR administers this account and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See **Figure 5** for the account's total fiscal activity for Fiscal Year 2014.

11 | FDA/RMCA LOAN REPAYMENT

The Board of Natural Resources resolution #635 in 1990 and #756 in 1992 authorized settlement of the FDA debt to the RMCA by transferring timber-cutting rights on State Forest Purchase lands to the Common School, Capitol Building, Normal School, and University granted trusts. A one-third interest in assets (timber cutting rights) of the FDA on 35,655 acres was transferred to these trusts. The value of these transfers eliminated the debt between FDA and RMCA.

A total of \$1,838,004 was distributed to the trusts from timber harvested during Fiscal Year 2014. The RMCA received \$459,501 from this activity. Since this is repayment of a loan, the transactions are recorded as an operating transfer rather than current period revenue.

The values from the harvest activity by fund as well as RMCA trust for Fiscal Year 2014 and in total since the adoption of resolution 635 in 1990 are in **Figure 6**.

12 | OPERATING TRANSFERS

According to the Office of Financial Management's interpretation of generally accepted accounting principles, debt service funds (funds used to pay off debts), such as the UW or WSU Bond Retirement accounts, cannot receive revenue directly. Instead, revenue to these two funds are recorded to the respective permanent funds, and then an operating transfer is made to the appropriate debt service fund.

13 | TRUST FUNDS—CURRENT AND PERMANENT

Trust Current Funds are funds that individual trust beneficiaries can draw from. Trust Permanent Funds are endowments, which generate interest that can be transferred to the Current Funds.

14 | FISCAL ACTIVITY FOR OTHER TYPE FUND(S) ADMINISTERED BY DNR

Natural Resources Equipment Account: Total other fiscal activity does not include funds classified as internal service funds. The Natural Resources Equipment Account is the Department's only internal service fund. This fund is used to maintain, replace and provide equipment to the Department's programs on a rental basis. In Fiscal Year 2014 this fund had revenue of \$21,467,471 and expenses of \$20,936,608.

15 | RMCA PORTION OF TRUST LAND REVENUE

The Resource Management Cost Account received 29 percent on most transactions and the trusts received 71 percent of revenue from trust lands during Fiscal Year 2014.

Also, some revenue transactions are subject to different distribution ratios. These transactions include aquatic resources, miscellaneous non-trust revenue, interest earnings, land sales transactions and interfund loan repayment, the latter of which affects the Common School, University, Capitol Building and Normal School trusts.

Figure 7 (a,b,c) reflects trust activity with Forest Board Repayment activity. Refer to footnote #19 for trust activity related to the University Trust.

16 | NON-TRUST REVENUE

Non-trust revenue cannot be attributed to a specific trust. Activities include forest road assessments, miscellaneous services, manuals & publications, prior period recoveries and adjustments, application fees, and interest income.

17 | NEGATIVE REVENUE

Any negative revenue reflects accounting adjustments (such as bad-debt write-offs, credit memos) from a prior fiscal year.

FY2014 Aquatic Resources: Negative revenue in the ALEA account include \$2,040,920 activity related to the Cleanup Settlement account loan pursuant to ESB6074, Sec 3022 (Point Ruston Sediment Capping and Shoreline Restoration Stabilization) and \$150,000 treasurer's transfer to the Geoduck Aquaculture Research account per ESSB 602. Negative revenue in RMCA includes \$1,850,000 transfer to the Marine Stewardship account per 3ESHB 5034, Sec 805.

18 | TREASURER'S REVENUE

Due to the schedule for distributing revenue, revenue from State Forest Lands may earn interest before it is distributed to the appropriate county. Interest earnings cannot be attributed specifically to Transfer Lands or Purchase Lands. This revenue is accounted for as treasurer's revenue and is distributed to the appropriate county.

19 | UNIVERSITY TRUST – ORIGINAL, TRANSFERRED, REPAYMENT

The accounting for the University Trust combines activity from original University trust lands, lands which have been transferred to the trust, and the University trust's share of interfund loan repayments as described in footnote #11.

See **Figure 8** for the breakdown of the different elements contributing to the information for University Grants for Fiscal Year 2014.

Figure 7b

Capitol Building			
Trust Activity	Total Revenue	Cap. Bldg. Construction	RMCA
Timber Sales	\$9,273,196	\$6,499,291	\$2,773,904
Timber Sales-Related	727	92	635
Leases	245,591	174,302	71,289
Late Interest	973	508	465
Fees / Service Charges	197	0	197
Operating Transfer-In	94,896	71,140	23,756
Subtotal	9,615,580	6,745,334	2,870,246
Forest Board Repayment			
Sales	\$0	\$0	\$0
Operating Transfer-Out	(94,896)	0	(94,896)
Subtotal	(94,896)	0	(94,896)
Total Trust Activity	9,520,684	6,745,334	2,775,350
Non-Trust Activity			
STO Interest	8,321	277	8,043
Other Revenue	11,736	0	11,736
Total Non-Trust Activity	20,057	277	19,780
GRAND TOTAL	\$9,540,741	\$6,745,612	\$2,795,130

Figure 7c

Normal School				
Trust Activity	Total Revenue	Capital Projects	Normal Sch. Permanent	RMCA
Timber Sales	\$2,642,216	\$0	\$1,605,187	\$1,037,029
Timber Sales-Related	(380,352)	(0)	366	(380,718)
Leases	278,661	190,201	7,675	80,784
Late Interest	554	393	0	161
Fees / Service Charges	514	0	0	514
Operating Transfer-In	303,525	0	227,724	75,800
Subtotal	2,845,117	190,594	1,840,953	813,570
Forest Board Repayment				
Sales	380,976	\$0	\$0	380,976
Operating Transfer-Out	(303,525)	0	0	(303,525)
Subtotal				
Total Trust Activity	2,922,569	190,594	1,840,953	891,022
Non-Trust Activity				
STO Interest	2,656	74	\$0	2,582
Land Sales / Trust Land Transfer	0	0	0	0
Other Revenue	3,768	0	0	3,768
Total Non-Trust Activity	6,424	74	0	6,350
GRAND TOTAL	\$2,928,993	\$190,669	\$1,840,953	\$897,372

Figure 7a

Common School / Escheat Trust				
Trust Activity	Total Revenue	Com. School Construction	Com. School Permanent	RMCA
Timber Sales	\$45,274,751	\$31,934,971	\$0	\$13,339,780
Timber Sales-Related	(115,505)	1,423	(0)	(116,928)
Leases	34,936,874	24,371,359	419,122	10,146,393
Misc Interest Income	97,803	69,172	133	28,499
Fees / Service Charges	64,516	0	0	64,516
Operating Transfer-In	248,891	186,620	0	62,271
Subtotal	80,507,330	56,563,545	419,255	23,524,530
Forest Board Repayment				
Sales	119,111	0	0	119,111
Operating Transfer-Out	(248,891)	0	0	(248,891)
Subtotal	(129,781)	0	0	(129,781)
Total Trust Activity	80,377,550	56,563,545	419,255	23,394,749
Non-Trust Activity				
STO Interest	31,078	3,948	0	27,130
Land Sales / Trust Land Transfer	39,232,000	39,232,000	0	0
Other Revenue	400,011	0	301,079	98,932
Total Non-Trust Activity	39,663,088	39,235,948	301,079	126,062
GRAND TOTAL	\$120,040,638	\$95,799,492	\$720,334	\$23,520,811

Figure 8

University Trust				
Trust Source/Activity	Total Revenue	Bond Retirement	University Permanent	RMCA
University-Transferred				
Timber Sales	\$2,252,933	\$0	\$1,599,583	\$653,351
Timber Sales-Related	0	0	0	0
Leases	373,728	0	265,318	108,410
Misc-Trespass	0	0	0	0
Late Interest	254	0	181	73
Sale of Property-Other	0	0	0	0
Fees/Services Charges	231	0	0	231
Operating Transfer-In	2,877,108	1,686,416	893,019	297,673
Operating Transfer-Out	(1,686,416)	0	(1,686,416)	0
Total	\$3,817,839	\$1,686,416	\$1,071,685	\$1,059,738
University-Original				
Timber Sales	\$19,172	\$0	\$13,612	\$5,560
Leases	124,105	0	88,288	35,818
Fines & Forfeits	4	0	3	1
Late Interest	(7)	0	(5)	(2)
Fees/Services Charges	38	0	0	38
Operating Transfer-In	88,447	88,447	0	0
Operating Transfer-Out	(88,447)	0	(88,447)	0
Total	\$143,314	\$88,447	\$13,451	\$41,415
University-Repayment				
Timber Sales	\$978,065	\$0	\$0	\$978,065
Timber Sales Related	0	0	0	0
Late Interest	0	0	0	0
Operating Transfer-Out	(1,190,692)	0	0	(1,190,692)
Total	\$(212,628)	\$0	\$0	\$(212,628)
Non-Trust Allocation				
STO Interest	\$2,732	\$157	\$0	\$2,575
Non-Trust Revenue Allocation	3,757	0	0	3,757
Total	\$6,490	\$157	\$0	\$6,332
GRAND TOTAL	\$3,755,014	\$1,775,021	\$1,085,136	\$894,858

Figure 9

RMCA/FDA Debt/Loan Accounting For Fiscal Year 2014		
Beginning Balance	Grant Lands	State Forest Lands
2014 Trust Charges	\$51,317,435	\$22,111,222
RMCA Expenditures	51,317,435	0
FDA Expenditures	0	22,111,222
Cumulative Debt/Loan	\$0	\$0

Fiscal Year 2014 Management Fund Debt Status

As of June 30, 2014, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).

20 | STATE TRUST LANDS MANAGEMENT FUND ACCOUNTING REPORT**Statutory Authority and Requirements:**

Subject to legislative appropriation, DNR is authorized by RCW's 76.12.110 and 79.64.030 to use funds from the Resource Management Cost Account (RMCA) and Forest Development Account (FDA) interchangeably in the management of State Grant Lands and State Forest Lands. The law also states, however, that an annual accounting will be kept of payments made by one fund on behalf of another. For example when RMCA funds are used to pay for activities on State Forest Land, it shall be considered a debt against the FDA. RCW 79.64.030 also requires that the results of the accounting be reported to the legislature at the next regular session.

Accounting Procedures

Beginning with fiscal year 1996, the following Cost Allocation System accounting procedures have been used to calculate any debt or loan between the management funds:

- A.** All operating program expenditures that can be determined to benefit a particular land category are directly charged to that land category.
- B.** Expenditures for majority of the department's operating programs for which the benefiting land category cannot be determined (indirect expenditures), are allocated to land categories based on staff month percentages derived from personnel time charged directly to those land categories or by Western Washington forested acres.
- C.** Capital outlay expenditures that benefit particular land categories are determined in advance then charged by land category in the ratio set by appropriations.
- D.** Agency Administration and Support costs are allocated to land category based on Agency work plans for the year as established during the budget process.
- E.** Direct charges and indirect charges are totaled by land category within the Cost Allocation System. Expenditures paid from the RMCA and FDA accounts are compared to these total charges for Grant Lands and State Forest Lands to determine how much of the charges were paid from one account on behalf of the other. If RMCA funds were used to pay State Forest charges, a debt principal is incurred in that amount. If State Forest funds were used to pay RMCA charges, the debt principal is reduced by that amount. Funding adjustments may be made periodically during the fiscal year to align expenditures by fund with total charges for Grant Lands and State Forest Lands to prevent the accumulation of any new debt in the year.

F. As required by law, interest is charged on the debt incurred. A full year's interest is charged on cumulative debt carried from the previous year. One half year's interest is calculated on the change in the debt principal occurring during the current year.

G. Cumulative debt from the preceding year, plus new principal and interest charges, are totaled to determine the new cumulative debt. **See Figure 9.**

Fiscal Year 2014 Management Fund Debt Status

As of June 30, 2014, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).



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2014
STORIES

FISCAL
DATA

TIMBER
DATA

Management

Timber Data

Timber Volume | Sold and Harvested | FY 2014

Trust / Beneficiaries	Acres	Timber Volume ^a Sold (mbf) ^b	Timber Volume Harvested ^c (mbf) ^b
STATE FOREST TRANSFER (formerly known as Forest Board Transfer lands)			
Clallam	1,760	27,290	40,962
Clark	436	13,447	31,052
Cowlitz	159	7,703	3,321
Grays Harbor	41	1,846	0
Jefferson	239	7,922	5,252
King	180	5,294	4,366
Kitsap	0	0	961
Klickitat	0	0	996
Lewis	724	26,846	16,979
Mason	750	18,790	5,175
Pacific	123	5,296	4,483
Pierce	0	0	563
Skagit	413	18,795	17,714
Skamania	164	4,279	7,946
Snohomish	771	20,791	25,143
Thurston	336	14,669	5,114
Wahkiakum	77	3,987	5,601
Whatcom	274	9,031	9,546
Subtotal Transfer	6,447	185,986	185,174
STATE FOREST PURCHASE (formerly known as Forest Board Purchase lands)			
Clark	43	1,121	223
Grays Harbor ^d	30	998	5,311
Lewis	0	10	255
Pacific ^e	3	172	181
Pierce	0	1,245	0
Skagit	0	0	283
Skamania	0	0	450
Thurston ^d	86	3,481	472
Whatcom	0	0	540
Subtotal Purchase	162	7,027	7,715
Common School, Indem. & Esch.	9,300	158,625	153,056
Agricultural School	1,276	30,702	12,857
University Transferred & Orig.	936	17,272	9,340
CEP & RI	390	7,152	19,228
Capitol Building	1,179	25,834	28,949
Normal School	838	6,880	8,647
Escheat	11	373	928
Scientific School	901	29,545	25,636
University Original	0	0	74
Comm. Coll. For. Res.	0	0	3,205
Administrative Sites	0	0	0
University Repayment	42	3,281	7,237
Forest Board Repayment	374	14,618	6,716
King County Water Pollution	110	2,622	2,581
Statewide Total	21,966	489,917	471,343

About This Page

^a Timber volume sold per acre depends on site-specific conditions and harvest method.

^b mbf: thousand board feet

^c Volume harvested is estimated for sales partially harvested.

^d Includes Forest Board Repayment. (See Fiscal Section, page XX, note 11).

^e Includes University Repayment data.

Notes

Timber is sold before it is harvested. Timber sale contracts are typically two or more years in length, with most timber harvest schedules determined by individual purchasers. Sale and harvest of timber may or may not occur in the same fiscal year. Revenues are generated when timber is harvested.

Market conditions can influence number of sales and volume sold.

Sales which contain more than one trust and/or beneficiary, report estimated acres and volumes for each specific trust. Sales which benefit more than one trust, distribute revenues proportionally by value based on percentage of area.

Numbers may not add due to rounding.

Source

DNR NaturESystem database, Report TSC311; 12/04/2014

Silviculture^a | FY 2014

Trust / Beneficiaries	Acres Planted ^b	Stems per Acre ^c	Pre-commercially Thinned Acres ^d
STATE FOREST TRANSFER (formerly known as Forest Board Transfer lands)			
Clallam	898	332	189
Clark	1,163	354	63
Cowlitz	189	322	66
Grays Harbor	44	389	0
Jefferson	5	190	77
King	36	405	340
Kitsap	78	301	103
Klickitat	35	365	460
Lewis	503	447	235
Mason	137	219	224
Pacific	115	350	764
Pierce	0	0	134
Skagit	678	346	0
Skamania	33	204	30
Snohomish	935	314	43
Thurston	97	344	53
Wahkiakum	80	574	72
Whatcom	319	366	0
Subtotal Transfer	5,345	349	2,854
STATE FOREST PURCHASE (formerly known as Forest Board Purchase lands)			
Clark	0	0	13
Grays Harbor	478	318	0
Lewis	0	0	50
Pacific	106	381	621
Pierce	43	361	0
Thurston	147	295	0
Subtotal Purchase	774	325	685
Agricultural School	567	273	176
Capitol Grant	864	355	323
CEP & RI	756	262	155
Common School and Indemnity	8,420	243	6,846
Escheat	91	282	24
Normal School	213	340	131
Scientific School	705	334	99
University - Original	21	315	3
University - Transferred	197	246	207
Total - All TRUSTS	17,953	290	11,502

About This Page

These data are included in the 2014 Annual Report to Trust Beneficiaries per RCW 79.10.010

^a Silvicultural activities are forest management practices. Implementation of silvicultural practices varies according to site-specific conditions and availability of management funding.

^b Acres planted include all planting processes and all tree species.

^c Stems per acre planted depend on site-specific conditions and anticipated survival rates.

^d Pre-commercially thinned acres increase yield rate per acre by selectively decreasing overcrowding of saplings.

Numbers may not add due to rounding.

Source

Source: Planning and Tracking Database 12/04/2014.

Timber Acres Harvested^a | FY 2014

Trust / Beneficiaries	Acres Commer. Thinned Small Wood ^b	Acres Partially Cut/Older Stand Thinning ^c	Acres Regeneration Harvest ^b	Total Acres ^d	Aver. Year of Regen. Cut Stand
STATE FOREST TRANSFER					
Clallam	540	0	1,100	1,640	1936
Clark	30	10	899	939	1946
Cowlitz	0	0	78	78	1937
Jefferson	528	0	78	606	1950
King	168	0	95	263	1957
Kitsap	0	0	40	40	1941
Klickitat	0	67	18	85	1922
Lewis	116	0	449	565	1946
Mason	0	0	223	223	1941
Pacific	0	0	89	89	1930
Pierce	6	0	26	32	1943
Skagit	142	0	353	495	1939
Skamania	73	0	250	323	1948
Snohomish	6	0	641	647	1939
Thurston	0	0	142	142	1937
Wahkiakum	0	0	83	83	1928
Whatcom	15	0	244	259	1946
Sub-Total Transfer	1,624	77	4,808	6,509	1940
STATE FOREST PURCHASE					
Clark	3	0	9	12	1946
Grays Harbor ^e	202	2	113	317	1944
Lewis	0	0	6	6	1947
Pacific ^f	0	0	3	3	1929
Skagit	0	0	20	20	1969
Skamania ^f	7	0	16	23	1946
Thurston ^f	0	0	13	13	1949
Whatcom	0	0	17	17	1953
Sub-Total Purchase	212	2	197	411	1947
Comm. School, Indem. & Esch.	1,440	371	6,058	7,869	1942
Agricultural School	1	0	287	288	1948
University Transf. & Orig.	130	0	583	713	1951
CEP & RI	54	0	587	641	1943
Capitol Building	159	4	677	840	1944
Normal School	239	34	353	626	1944
Escheat	9	15	62	86	1937
Scientific School	354	0	708	1,062	1943
University Original	1	0	3	4	1944
Community College	0	0	110	110	1941
University Repayment	0	0	153	153	1945
Forest Board Repayment	2	0	160	162	1940
King Co. Water Poll. Control Dst.	5	0	107	112	1951
Statewide Total	4,230	503	14,853	19,586	

About This Page

^a The Department tracks harvest method information in ten categories; for purposes of this report, per RCW 79.10.010, the data are aggregated into three harvest methods.

^b Commercial thinning/small wood generates revenue, promotes growth of the remaining trees, and creates desired future forest conditions.

^c Partial cuts/older stand thinnings generate revenue and help achieve desired future forest conditions.

^d Regeneration harvests refer to any removal of trees intended to assist natural tree regeneration or create space for replanting.

^e Total acres include total of all harvest activities.

^f Includes Forest Board repayment

^g Includes University repayment

Notes

Harvested acres shown are Fiscal Year 2014 activities only; acres are reported again in the future if additional harvest activities occur. Acres harvested are estimated for sales partially harvested. Timber volume harvested per acre depends on site-specific conditions and harvest method.

Sales which contain more than one trust beneficiary report estimated acres harvested for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by value based on percentage of area.

Numbers may not add due to rounding.

Source

DNR NaturE System database, Report TSC348; 12/04/2014

Deferrals | FY 2014

FORMERLY KNOWN AS
ACRES OFF-BASE FOR HARVEST

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
STATE FOREST TRANSFER			
Clallam	62,054	264	25,967
Clark	22,549	639	1,823
Cowlitz	9,879	5	458
Grays-Harbor	1,711	0	510
Jefferson	11,870	55	1,938
King	15,896	7	5,597
Kitsap	6,221	0	792
Klickitat	18,563	0	244
Lewis	30,787	0	7,252
Mason	22,818	0	3,700
Okanogan	9	0	0
Pacific	8,319	0	6,179
Pierce	7,593	0	879
Skagit	54,797	481	24,513
Skamania	24,185	71	12,513
Snohomish	47,362	0	12,159
Stevens	124	0	7
Thurston	15,752	0	2,994
Wahkiakum	8,286	27	4,049
Whatcom	20,068	0	7,951
Subtotal Transfer	388,842	1,550	119,522

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
Comm. School, Indemnity & Esch.	900,679	2,174	229,066
Capitol Grant	71,555	522	27,060
Scientific School	55,646	103	12,017
Normal School	44,349	0	11,302
University, Original & Transferred	44,052	274	12,750
Agricultural School	41,672	176	11,740
CEP&RI	33,475	52	5,958
Water Pollution Control Division Trust Land	4,993	0	552
Community College Forest Reserve	3,317	0	51
Community Forest Trust	0	0	47,567
Other Lands*	2,739	0	119,837
Total – All TRUSTS	1,548,265	4,880	612,534

Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
STATE FOREST PURCHASE			
Clallam	138	0	92
Clark	2,269	0	1,411
Cowlitz	210	0	52
Grays-Harbor	23,154	0	4,221
Jefferson	12	0	4
Kitsap	39	0	37
Klickitat	40	0	0
Lewis	2,690	0	213
Mason	400	0	101
Pacific	4,793	29	2,939
Pierce	2,758	0	472
Skagit	770	0	12
Skamania	2,686	0	1,647
Snohomish	1,604	0	39
Stevens	35	0	4
Thurston	18,563	0	3,628
Whatcom	690	0	241
Subtotal Purchase	60,852	29	15,113

About This Page

These data are in the 2014 Annual Report to Trust Beneficiaries, per RCW 79.10.010.

With the adoption of the 2004 Sustainable Harvest Level, DNR no longer classifies lands as "off-base" or "on-base," but instead designates deferral status.

Long-term deferral approximates "off-base."

Deferral status is determined by whether the silviculture and land management activities, including harvest, are permitted or deferred for a period of time. Short-term deferrals represent forestlands anticipated to be deferred from harvest in the next 10 years. Long-term deferrals represent forestlands anticipated to be deferred from harvest beyond 10 years and forestlands managed for non-timber harvest revenue objectives.

Acres are designated as deferrals because they are inoperable, are low site, contain permanent research plots, are upland wildlife management areas, are timber gene pool reserves, are on unstable slopes in riparian buffers, are located in a northern spotted owl nest patch, contain a northern spotted owl site center, are identified as marbled

murrelet habitat, are included in the Olympic Experimental State Forest deferral areas, or are the result of the Settlement Agreement reached in 2006, or the 2006 Policy for Sustainable Forests Old-Growth Policy (all of these decisions were included in the 2007 sustainable harvest adjustment for Western Washington State Trust forestlands). A site can be deferred due to one or more factors.

Deferral classifications are not permanent designations. DNR may change the classification as specific forest stands or sites are re-evaluated. Acreage updates and changes can occur over time due to technological refinements in data gathering and analysis.

Numbers may not add due to rounding or potential double counting.

* Includes Land Bank, Natural Resources Conservation Areas, Natural Area Preserves, administrative sites, TIDE-2nd, UC-Private, and Water Pollution Control trust data.

Source: Deferral Status of State Forestlands, DNR Forest Resources and Conservation Division, 2014



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DNR Workforce

At the end of Fiscal Year
2014, DNR's year-round
permanent workforce was
1,252 employees.

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PHOTOGRAPH BY CARLO ABBRUZZESE / DNR

Moss-covered
talus slope at the DNR-
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