What is being monitored and why is it being monitored?

We are monitoring the contracts and agreements awarded to implement and monitor treatments conducted under the Collaborative Forest Landscape Restoration Program (CFLRP). One of the goals of the CFLRP is to “benefit local economies by providing local employment or training opportunities.” This project explores the extent to which local contractors, organizations, and workers are benefiting from CFLRP opportunities in the SW Crown.

How are we monitoring?

We measure the rate of local contractor participation in the SW Crown CFLRP project as an indicator of benefits to local communities and compare these rates to similar restoration activities occurring in a 5-county reference area surrounding the SW Crown project boundary. In addition, the project provides the implications of defining the term “local” by conducting the analysis at multiple geographic scales.

Key Findings from 2010-2011:

- Annual service contract spending on restoration activities increased in the 5-county study area from roughly $2 million in fiscal year 2005 to over $5 million in fiscal year 2011.
- Local contractors were slightly less successful, in terms of dollar value, at capturing CFLRP service contracts (2010-2011) compared to contracts awarded in the reference counties. However, when businesses located in adjacent counties were included, this group was significantly more successful in capturing CFLRP opportunities.
- Capture rates varied significantly according to the type of work being conducted. Local and semi-local contractors captured 82% of equipment-intensive contract value, 100% of technical contract value, 31% of labor-intensive and none of the product procurement value.
- The total volume of timber sold annually by the three forests in the reference area (Lolo, Flathead, and Helena National Forests) varied during the period from about 50 million board feet (MMBF) in fiscal year 2005 down to 24 MMBF in fiscal year 2011.
- Nearly all timber sales in the reference area were purchased by Montana firms, with two purchased by firms whose address could not be located.
- Of the 28 stewardship contracts sold, only one was purchased by an out-of-state firm.
- Only three timber sales were sold during the first two years of the CFLRP, generating just over 3 million board feet (MMBF) in timber, one of which was offered as a stewardship contract.
- Over $2 million was invested through the CFLRP in agreements with 17 local organizations and state and federal agencies. These funds were leveraged by an additional $1.5 million in cash and in-kind donations provided by partner organizations. More than 80% of the funds invested through CFLRP went to local non-profits and an additional 17% to state agencies.
- Overall, the data indicate that contractors in the SW Crown are capturing a majority of restoration opportunities generated in the form of service contracts, timber sales, stewardship
contracts and agreements. These trends imply that a certain level of local capacity exists to meet
the needs of the SWCC and CFLRP.

- There continue to be significant gaps in the areas of labor-intensive service work, stewardship
contracts, product procurement, and to a lesser extent, technical consulting work.
- There is evidence that Small Business Administration programs designed to give preference to
minority-owned and economically-disadvantaged businesses are having negative impacts on
the utilization of local businesses and, by extension, the benefits accruing to local communities.

Recommendations:

- Federal contract monitoring efforts are hindered by poor data availability. Specifically:
  - Contract data should include higher resolution project location data. At present, the only
    information available is the county in which the contract activities took place.
  - A common core of information across service, timber, stewardship and agreements would
    facilitate analyzing and communicating the impact of all of these mechanisms together.
  - There is evidence that the impacts of subcontracting may be significantly different, and more
    local, than that of prime contractors, which has important implications on the benefits being
    captured by rural, forest-dependent communities located near CFLRP projects. At present,
    little is known about these impacts and the data are not available from the Forest Service.

How will this information be used?

The results will track how CFLRP funds are being spent and whether the program is meeting it’s
goals. They will also help to understand whether additional steps are needed to improve the
retention of CFLRP funds in local communities.

Next steps: In 2015-2016, we plan to conduct an analysis of contracting trends covering the first 5
years of CFLRP implementation.

Reports and Resources:

- USFS Collaborative Forest Landscape Restoration Program: [http://www.fs.fed.us/restoration/CFLRP/](http://www.fs.fed.us/restoration/CFLRP/)

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