



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

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September 20, 2016

Dr. Keith Gilles, Chairman
State Board of Forestry and Fire Protection
P. O. Box 944246
Sacramento, CA 94244-2460

Re: California Forest Improvement Program (CFIP) Landowner Rates

Dear Chairman Gilles:

CAL FIRE is requesting that the Board of Forestry and Fire Protection (Board) approve a new list of rates for landowners under a CFIP grant agreement who wish to perform the work themselves. The attached information will be discussed with the Resource Protection Committee at the upcoming September 2016 Board meeting.

Thank you for the opportunity to review and discuss this CFIP landowner rate information. We will have representatives available at the September Board meeting should any questions arise related to the Committee's discussion.

Sincerely,

A handwritten signature in blue ink, appearing to read "Helge Eng".

HELGE ENG
Deputy Director
Resource Management

Attachments A & B

Attachment A

CALIFORNIA FOREST IMPROVEMENT PROGRAM (CFIP)

ESTABLISHMENT OF RATE SCHEDULE FOR LANDOWNERS WISHING TO ACCOMPLISH THEIR OWN WORK UNDER A CFIP AGREEMENT

AKA: SELF LABOR RATES

Request

CAL FIRE requests that the Board of Forestry and Fire Protection approve a new list of rates for landowners wishing to accomplish their own on-ground practices under a CFIP grant agreement. CAL FIRE proposes to utilize the attached rate schedule for CFIP Participant Self-Owned Labor and Equipment Rates and the proposed 15% reduction of the CFIP Cap Rates for those activities landowners wish to accomplish themselves.

Current Status

CFIP project budgets (the Project Summary of a CFIP Application) are based on a per acre basis. They can be no more than the established CFIP "Cap Rates" (a maximum rate per acre) for each activity as approved by the Board of Forestry and Fire Protection (Board). Those approved rates are based on what a contractor would charge a landowner to complete the work. However, CFIP allows landowners to accomplish activities itemized in their CFIP Agreement for which they are qualified instead of hiring contractors (e.g. a landowner can write their own management plan if they are an RPF). Historically the rates paid to landowners to accomplish their own work has been reduced (as in the case of the RPF writing his own plan) and/or based on rate schedules provided by the Natural Resources Conservation Service's (NRCS) Environmental Quality Incentives Program (EQIP). When a landowner chooses the option of performing the work themselves, the hourly rate schedules provided by NRCS are used to calculate the landowner reimbursement. This reimbursement to the landowner is the lesser of the total amount expended by the landowner, as based on the hourly rate schedules, or the level of the cap rate assigned to the particular CFIP practice category. In recent years, due to the greater complexity of the EQIP rate schedules, landowners and CAL FIRE Forestry Assistance Specialists (FAS) have been challenged to utilize the correct rate for a CFIP project. This has resulted in confusion, inequities, and delays in getting CFIP Agreements approved.

In May, all of the FASs and the Deputy Chief for Forestry Assistance met to discuss and develop a rate schedule for landowners who wish to accomplish their CFIP activities using their own labor and their own equipment. The group based their proposed rates on EQIP but adjusted them downward 15% to remove the allowance for profit and risk a contractor would normally receive. It was decided that a 15% reduction would be appropriate following interviews and discussions with NRCS economists who help set the EQIP rates, and research into general contractor standards and insurance industry claims. The proposed CFIP Participant Self-Owned Labor and Equipment Rates are attached.

The draft rate schedules were presented and discussed at the June 2016 meeting of the California Forest Stewardship Coordinating Committee (CFSCC), CAL FIRE's Forest Stewardship advisory committee. The CFSCC support the proposed rate changes.

CFIP Participant Self-Owned Labor and Equipment Rates*	
Equipment	Hourly
Small agriculture tractor with horsepower less than 50 HP	\$ 8.00
Medium agriculture tractor horsepower range of 50 to 90 HP	\$ 21.00
Backhoe	\$47.00
Dozer with horsepower range of 60 to 90 (example: D3, D4)	\$55.00
Dozer with horsepower range of 125 to 160 (example: D5, D6)	\$103.00
Dozer with horsepower range of 160 to 250 (example: D7, D8)	\$161.00
Excavator with bucket capacity range of 0.3 to 0.8 CY	\$52.00
Excavator with bucket capacity range of 0.8 to 1.5 CY	\$94.00
Excavator with bucket capacity range of 1.5 to 2.5 CY.	\$136.00
Skidsteer loader with horsepower range of 60 to 90	\$37.00
Front End Loader	\$44.00
Track loader	\$73.00
Feller Buncher	\$136.00
Log Skidder	\$106.00
Dump truck 8 CY	\$48.00
Dump truck 12 CY	\$80.00
Dump truck 18 CY	\$101.00
Chipper, 6" capacity, typically 35 HP.	\$18.00
Chipper, 12" capacity, typically 130 HP.	\$45.00
Chipper, 15" capacity, typically 165 HP.	\$54.00
Masticator, mulcher, flail shredder, hydro axe, brush cutter, etc.	\$72.00
Chainsaw or gasoline powered pole chainsaw.	\$5.00
Labor	Hourly
General Labor	\$21.00

*Rates are based on NRCS EQIP rates for California and take into account expected reduced overhead cost to the applicant. These rates may not be exceeded for landowner owned equipment and includes fuel and maintenance but not labor. Labor for an employee, contractor, or day laborer shall be the actual wage paid and shall be verified by a signed invoice or duplicate check. The equipment and labor rates do not apply to contractors or rented equipment where actual receipts are required. Additional equipment or supplies shall be approved through the local FAS.

2016-2017 CFIP COST-SHARE CURRENT FULL CAP RATES

PRACTICE	CFIP CAP RATE	90% COST-SHARE¹	75% COST SHARE
Management Plan High (New)	\$5000 + \$3.00/acre 1 st 160 acres \$2.50/acre each additional acre to 1000	\$4500 + \$2.70/acre 1 st 160 acres \$2.25/acre each additional acre to 1000	\$3750+ \$2.25/acre 1 st 160 acres \$1.88/acre each additional acre to 1000
Rates for plans larger than 1000 acres are negotiated w/ CAL FIRE forester			
Management Plan Revised/Low (Mini)	\$1750 + \$1.40/acre	\$1575 + \$1.26/acre	\$1313 + \$1.05/acre
RPF Supervision	\$150/acre 1 st 20 acres \$75/acre each additional acre	\$135/acre 1 st 20 acres \$67.50/acre each additional acre	\$112.50/acre 1 st 20 acres \$56.25/acre each additional acre
Site Prep			
Light	\$350/acre	\$315/acre	\$262.50/acre
Moderate	\$500/acre	\$450/acre	\$375/acre
Heavy	\$800/acre	\$720/acre	\$600/acre
Trees & Planting			
Average	\$225/acre	\$202.5/acre	\$168.75/acre
Moderate	\$350/acre	\$315/acre	\$262.50/acre
Difficult	\$550/acre	\$495/acre	\$412.50/acre
Tree Shelters	\$350/acre	\$315/acre	\$262.50/acre
Pre-commercial Thinning²			
Light	\$350/acre	\$315/acre	\$262.50/acre
Moderate	\$450/acre	\$405/acre	\$337.50/acre
Heavy	\$700/acre	\$630/acre	\$525/acre
Pruning²	\$200 for 50 trees/acre \$350 for 100 trees/acre \$450 for 150 trees/acre	\$180 for 50 trees/acre \$315 for 100 trees/acre \$405 for 150 trees/acre	\$150 for 50 trees/acre \$262.50 for 100 trees/acre \$337.50 for 150 trees/acre
Release²			
Light	\$250/acre	\$225/acre	\$187.50/acre
Moderate	\$400/acre	\$360/acre	\$300/acre
Heavy	\$700/acre	\$630/acre	\$525/acre
Follow-up/Slash Disposal			
Light	\$250/acre	\$225/acre	\$187.50/acre
Moderate	\$550/acre	\$495/acre	\$412.50/acre
Heavy	\$900/acre	\$810/acre	\$675/acre
Land Conservation/Wildlife/Fisheries Projects³	Cost based on problem. Use EQIP rates as a guide.		

¹ The 90% rate will cover all projects on substantially damaged timberland by wildfire, insects, diseases, wind, floods, landslides or earthquakes.

² Disposal of slash must meet minimum Fire Hazard Reduction Standards per Forest Practices Act.

³ Maximum allowable costs do not appear for land conservation or habitat improvement. In these categories activity is variable and will depend on site condition, acreage, and/or type of project. However, costs will be evaluated based on rates used for SIP or EQIP.

2016-2017 CFIP COST-SHARE CAP RATES adjusted for SELF LABOR

PRACTICE	CFIP CAP RATE	90% COST-SHARE¹	75% COST SHARE
Management Plan High (New)	\$5000 + \$3.00/acre 1 st 160 acres \$2.50/acre each additional acre to 1000	\$4500 + \$2.70/acre 1 st 160 acres \$2.25/acre each additional acre to 1000	\$3750+ \$2.25/acre 1 st 160 acres \$1.88/acre each additional acre to 1000
<i>Rates for plans larger than 1000 acres are negotiated w/ CAL FIRE forester</i>			
Management Plan Revised/Low (Mini)	\$1750 + \$1.40/acre	\$1575 + \$1.26/acre	\$1313 + \$1.05/acre
RPF Supervision	\$150/acre 1st 20 acres \$75/acre each additional acre	\$135/acre 1 st 20 acres \$67.50/acre each additional acre	\$112.50/acre 1 st 20 acres \$56.25/acre each additional acre
Site Prep			
Light	\$298/acre	\$269/acre	\$224/acre
Moderate	\$425/acre	\$383/acre	\$319/acre
Heavy	\$680/acre	\$612/acre	\$510/acre
Trees & Planting			
Average	\$192/acre	\$173/acre	\$144/acre
Moderate	\$298/acre	\$269/acre	\$224/acre
Difficult	\$468/acre	\$421/acre	\$351/acre
Tree Shelters	\$298/acre	\$269/acre	\$224/acre
Pre-commercial Thinning²			
Light	\$298/acre	\$269/acre	\$224/acre
Moderate	\$383/acre	\$345/acre	\$288/acre
Heavy	\$595/acre	\$536/acre	\$447/acre
Pruning²	\$170 for 50 trees/acre \$298 for 100 trees/acre \$383 for 150 trees/acre	\$153 for 50 trees/acre \$269 for 100 trees/acre \$345 for 150 trees/acre	\$128 for 50 trees/acre \$224 for 100 trees/acre \$288 for 150 trees/acre
Release²			
Light	\$213/acre	\$192/acre	\$160/acre
Moderate	\$340/acre	\$306/acre	\$255/acre
Heavy	\$595/acre	\$536/acre	\$447/acre
Follow-up/Slash Disposal			
Light	\$213/acre	\$192/acre	\$160/acre
Moderate	\$468/acre	\$421/acre	\$351/acre
Heavy	\$765/acre	\$689/acre	\$574/acre
Land Conservation/Wildlife/Fisheries Projects³	Cost based on problem. Use EQIP rates as a guide.		

¹ The 90% rate will cover all projects on substantially damaged timberland by wildfire, insects, diseases, wind, floods, landslides or earthquakes.

² Disposal of slash must meet minimum Fire Hazard Reduction Standards per Forest Practices Act.

³ Maximum allowable costs do not appear for land conservation or habitat improvement. In these categories activity is variable and will depend on site condition, acreage, and/or type of project. However, costs will be evaluated based on rates used for SIP or EQIP.

Attachment B

CALIFORNIA FOREST IMPROVEMENT PROGRAM (CFIP)

ESTABLISHMENT OF RATE SCHEDULE FOR LANDOWNERS WISHING TO ACCOMPLISH THEIR OWN WORK UNDER A CFIP AGREEMENT

AKA: SELF LABOR RATES

Pertinent Codes and Regulations

Public Resource Code (PRC) Section 4795.

(a) The director may enter into agreements with eligible landowners pursuant to which the landowner will undertake forest resource improvement work in return for an agreement by the director to share the cost of carrying out such work. The director is authorized to share up to 90 percent of the lesser of either:

(1) The landowner's actual cost per acre to accomplish the work.

(2) The prevailing per acre cost as determined by the director pursuant to Section 4799.02.

(b) The director shall prepare a schedule of cost share percentages applicable to agreements undertaken pursuant to this section. **Required landowner cost share contributions may be made in the form of materials, services, or equipment as well as funds.** The cost share percentage schedule shall set forth the percentage of required landowner's project cost share for various categories of forest resource improvement projects. The percentage of cost sharing required of the landowner may be decreased if the ownership contains less than 500 acres.

(c) The percentage of cost sharing required of the landowner may also be decreased to the extent that:

(1) The project or other actions of the landowner would increase recreational opportunities for the public.

(2) The project would provide relatively more employment opportunities than other proposed projects.

(3) Forest land conservation measures or fish or wildlife habitat improvements are included in the project.

(d) Consistent with the criteria set forth in subdivisions (b) and (c), the director shall submit a schedule further specifying cost share percentages to the board for its review. The schedule shall apply to all agreements made pursuant to this section unless the board acts to change the schedule within 75 days of its submission by the director.

PRC § 4799.02. To carry out the provisions of this chapter and to facilitate participation in the program authorized by this chapter, the director may promulgate such regulations, guidelines, or publications as the director deems appropriate.

Such regulations, guidelines, or publications shall be submitted to the board for review or approval when required by this chapter and, even if not required, when deemed appropriate by the director for his or her guidance. Regulations, guidelines, or publications shall specify:

(a) The scope of forest resource improvement work, as described by Section 4794, for which agreements may be entered into or loans made pursuant to Section 4795 or 4796.

(b) The prevailing cost of performing various types and methods of forest resource improvement work under various site conditions throughout the forest land of the state, as required by Sections 4795 and 4796.

(c) Cost share percentage schedules as required by Section 4795.

(d) Procedures to be followed in the event of a violation of a cost-sharing or loan agreement pursuant to Section 4795 or 4796 or default of payment of loan principal or interest pursuant to Section 4796.

(e) Consistent with subdivision (g) of Section 4793, criteria to determine forest lands which have demonstrated potential for improved forest resource management and may, therefore, be eligible for forest resource improvement projects under the provisions of paragraph (2) of subdivision (e) of Section 4797.

(f) Factors to be considered and information which should be included in management plans submitted pursuant to Section 4799.

(g) A standard application form for forest resource improvement projects submitted under Section 4795 or 4796.

(h) Forest land conservation measures and fish and wildlife habitat protection guidelines to be followed in the performance of forest resource improvement projects work as provided by Section 4799.

(i) Guidelines for evaluation and approval of proposed forest resource improvement projects as required by subdivision (d) of Section 4799.01.

(j) Procedures for the review by the director and interested persons or agencies of proposed forest resource improvement projects pursuant to subdivision (e) of Section 4799.01.

(k) Such other matters as the director deems necessary for the effective administration of the provisions of this chapter.

Title 14 California Code of Regulation (CCR) §1530. Cost Sharing Schedules.

When the Director enters into agreements with landowners pursuant to the provisions of PRC Section 4795, he/she may share 80% of the lesser of either:

(a) The landowner's actual cost to accomplish the project or;

(b) The prevailing cost of the practices proposed for the project as determined by the Director according to 14 CCR 1530.1, or 90% of either of the same if the applicant satisfies any one of the following four conditions:

(1) The applicant owns less than 500 acres (202.350 ha) of forest land in California.

(2) Ten percent or more of the total cost of the project will be devoted to forest land conservation measures and/or fish and wildlife habitat improvement practices.

(3) The project or other actions of the landowner will increase recreational opportunities for the public.

(4) The project will be carried out primarily by persons living in the county or in counties adjacent to where the project will take place.

Title 14 CCR § 1530.1. Prevailing Costs.

By April 15 each fiscal year, the Director shall submit to the Board for its review a schedule of the prevailing costs of performing the practices eligible for cost sharing payments in various regions of the state. The schedule shall apply to all cost sharing agreements signed in the next fiscal year. At any time, the Director may submit amendments in the schedule to the Board for its review; such changes shall become effective upon Board approval or 75 days after submission to the Board unless the Board acts to change such amendments.