



# Federal Budget Cuts

In the federal fiscal year (FY) 1982, the first budget year of the Reagan era, funding reductions began curtailing the level of governmental forest services in North Carolina. From FY 81 to FY 82, for example, federal funds for the Rural Fire Protection and Control program in North Carolina dropped by 34 percent, from \$504,967 to \$333,500. The major federal cost-sharing programs (funds spent in the state but not through the state budget) — the Forest Incentives Program (FIP) and the Rural Community Fire Protection program, both administered through the USDA — remained stable through FY 82. But in FY 83, the FIP funding level dropped by almost a third (\$910,000 to \$613,000) and in FY 84, the FIP program and the Rural Community Fire Protection effort are proposed to be eliminated entirely.

In North Carolina, according to the Division of Forest Resources and the Office of Policy and Planning within the state Department of Administration, major federal forestry programs may be eliminated in FY 84. The changes proposed by the Reagan Administration for North Carolina, from FY 83 to FY 84, could total a \$925,520 loss to the division and another \$686,000 loss to individuals and rural fire departments in the state.<sup>21</sup> The breakdown of the proposed cutbacks for FY 84 looks like this:

- Rural Forestry Assistance, from \$391,700

to 0;

- Rural Fire Protection and Control, from \$343,200 to 0;
- Rural Community Fire Protection (directly to rural fire departments), from \$70,200 to 0.
- Forest Pest Management, from \$87,200 to 0;
- Urban Forestry Assistance, from \$22,700 to 0;
- Management Planning and Improvement, from \$14,000 to \$8,000;
- Forestry Incentive Program technical assistance (through the state budget), from \$91,000 to 0;
- Forestry Incentive Program cost sharing (directly to individual owners), from \$613,000 to 0; and
- Watershed Project from \$23,400 to 0.

Because Congressional budget deliberations are a slow series of compromises, these cuts may or may not take place. Forestry programs got a solid boost from the U.S. House Agriculture Committee, which reviews the President's proposed FY 84 budget for forestry programs. In its report to the House Budget Committee, it recommended "levels for all programs under State and Private Forestry be increased to FY 1983 levels."<sup>22</sup> This recom-

mendation covers forest pest management, fire protection, and forest management and utilization. The committee made similar recommendations for FIP and most of the other forestry programs. The appropriation bill containing these forestry programs will reach the full House Appropriations Committee sometime in the summer of 1983. The level of funding will then hinge on actions to be taken on both the House and the Senate floors and on the desk of the President.

Up to this point, the Division of Forest Resources has avoided severe layoffs by transferring money from machinery categories to personnel. If the President's proposals are enacted, the division may lay off some 25-30 staffers, says Green. Meanwhile, the division's machinery is growing old. "Our forest fire control equipment is valued at \$10 million, and good business practices dictate the replacement of about 8 percent of that equipment each year," explained Department of Natural Resources and Community Development (NRCD) Sec. Joseph Grimsley to the legislature's Joint Appropriations Subcommittee on Natural and Economic Resources on March 10, 1983. "But transfers of funds from equipment to operational needs over the last five years have reduced this equipment replacement to less than 4 percent, and this fiscal year, because of the 6 percent reduction in budget resources [ordered by Gov. Hunt], nothing has been expended for equipment

replacement... Federal cuts planned by the Reagan budget may make it necessary during the next fiscal year to stop using helicopters in forest fire control, to discontinue use of large water-tank aircraft used in protecting the state's 19.6 million acres of woodland."

Losses in the state's capacity to fight fires loom as the most dramatic blows from the budget cuts. In 1982, fires destroyed almost 80,000 acres of forest, brush, and marshland in the state, some \$24 million in timber. Protecting forest resources is only part of the task, however. Longer-term planning requires equal attention. "We're going to have to work real hard to keep [the Forest Development Act] in place," says Ben Park, director of the N.C. Forestry Association. "A continuing problem is to see that the state forest service is adequately funded. With money tight in 1983, that's going to take some effort." Gov. Hunt is a strong forestry supporter (Hunt's father, a retired agricultural extension agent, has been a strong forestry advocate for years), as is NRCD Sec. Grimsley. But even with their support, the state's forest development program cannot make up for all the acres that would have been regenerated under FIP, nor can the division's depleted manpower and aging equipment adequately control fires without federal funds. Federal budget cuts have already caused great hardship to state forestry programs. Additional cuts would be a severe blow.



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