

2025 WESTERN FOREST ECONOMISTS MEETING Understanding WA DNR



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Who is DNR?

State agency responsible for managing 5.6 million acres of public land in Washington.

- 2.9 million acres state trust lands, managed to generate revenue for trust beneficiaries and provide other benefits to the people of Washington; 2.1 million acres are forested.
- Remaining acres includes aquatic lands and land managed under the Natural Areas Program.



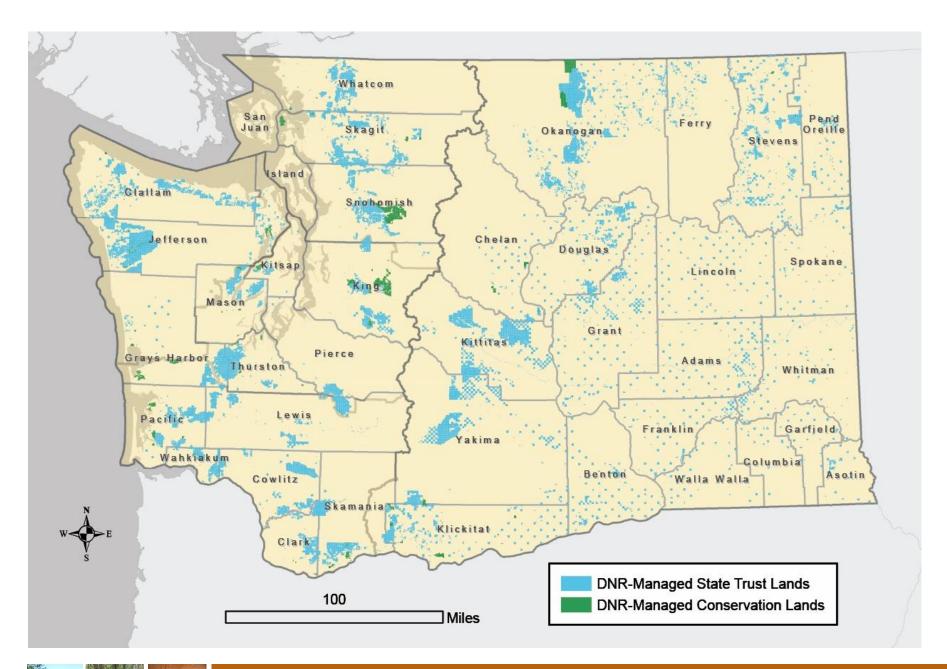








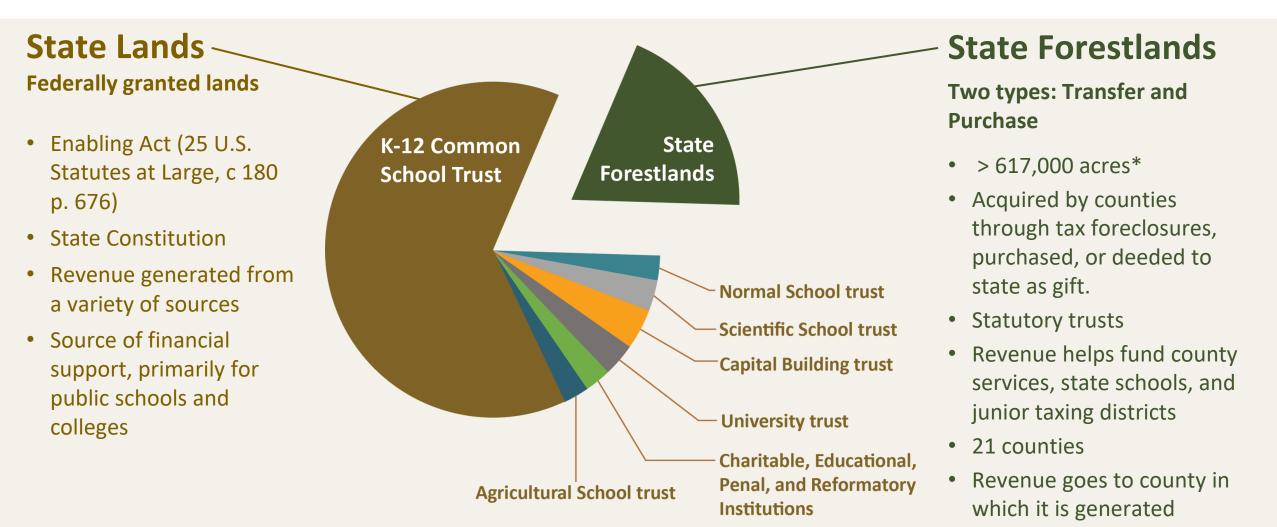
Where are DNR Managed Lands?







Types of State Trust Lands

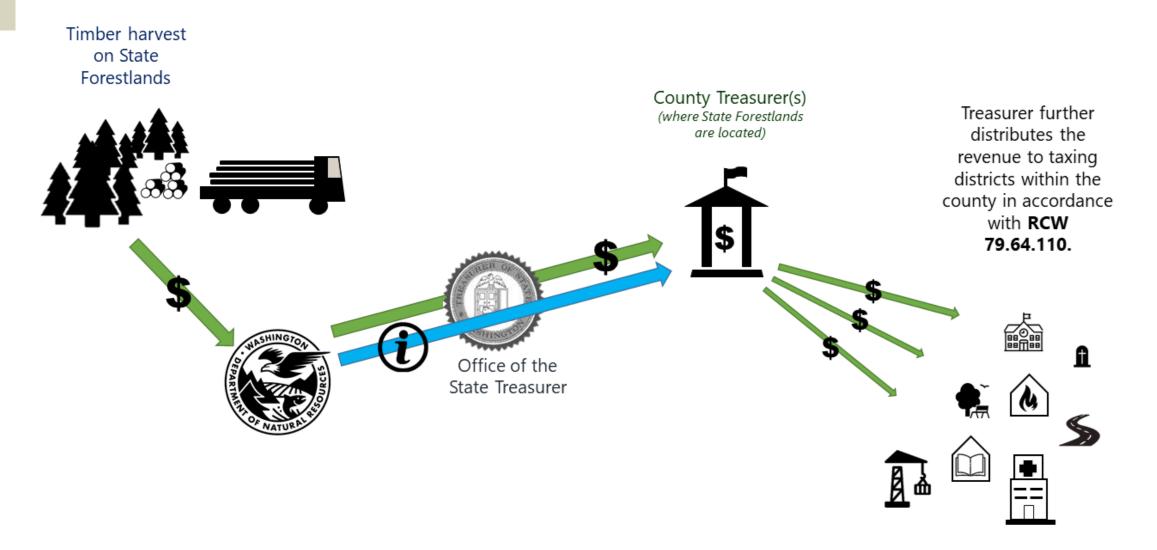






* Source : Deloitte Report 2020, Appendix D

State Forestland Revenue Flow







DNR's Fiduciary Responsibility

- Generate revenue and other benefits for each trust, in perpetuity.
- Preserve the corpus of the trust.
- Exercise reasonable care and skill.
- Act prudently to reduce the risk of loss for the trusts.
- Maintain undivided loyalty to beneficiaries.
- Act impartially with respect to current and future beneficiaries.







Revenue Generating Activities

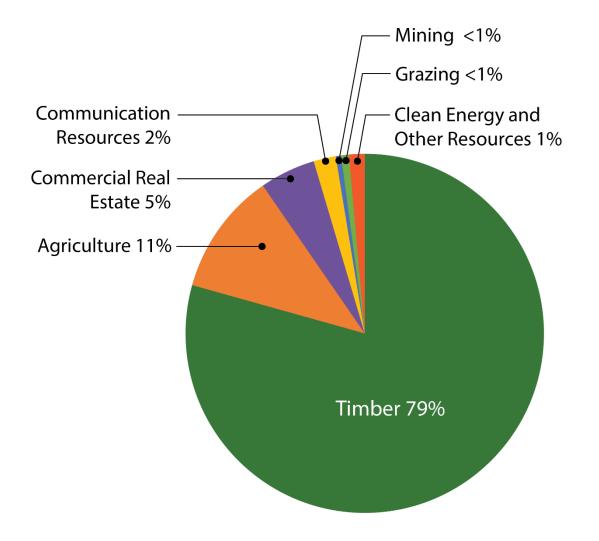
- Annual revenue over \$200 million per year.
- Approximately 79% of annual revenue is generated from the 2.1 million acres in the timber asset class.
- This asset class generates approximately \$1.5 billion per year in economic activity.

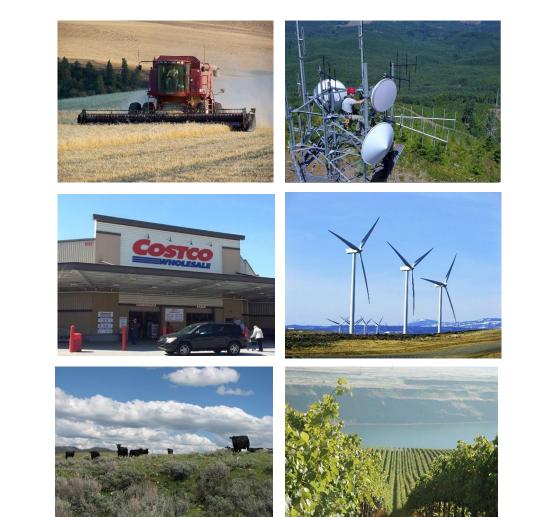






Other Major Sources of Revenue



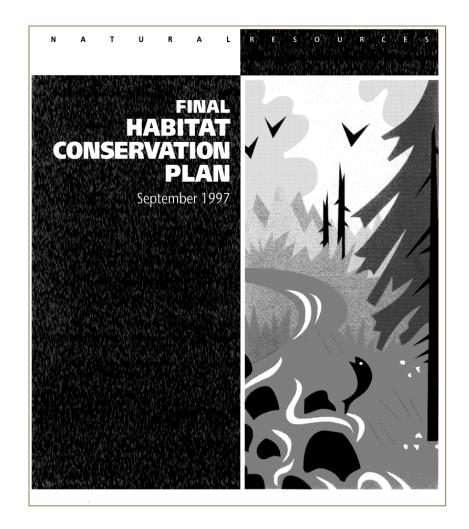






State Trust Lands Habitat Conservation Plan (1997)

Purpose: Protect habitat for at-risk species while carrying out forest management and other activities to generate revenue for trust beneficiaries.







Old Growth Policy

- Defer from harvest old-growth stands (stands 5 acres and larger, in the most structurally complex state of stand development, that originated naturally before the year 1850).
- Retain known, very large diameter, structurally unique trees.

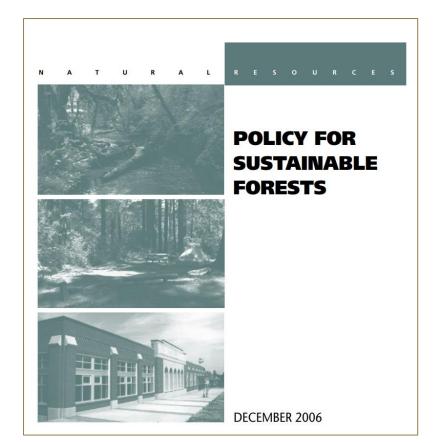






Policy for Sustainable Forests (2006)

Purpose: To conserve and enhance the natural systems and resources to produce long-term sustainable trust income, and environmental and other benefits for the people of Washington, consistent with the fiduciary standards governing trust management.







Categories of Policies









Economic Performance

Forest Ecosystem Health and Productivity

Social and cultural benefits

Implementation





Putting it All Together

- Nearly half of forested state trust lands are managed specifically for ecological objectives.
- Over time, location of structurally complex forest has shifted into ecologically focused areas.
- Additional areas are protected when timber sales are designed; examples: unmapped streams and wetlands, unstable slopes, leave tree clumps.
- Objective to achieve 10-15% of each HCP planning area in old growth type structure *over time*.







2023 Legislative Proviso:

Collaborate on approaches to DNR forest management in the context of the following goals:

- Conserve and manage older, carbon-dense, structurally complex forest stands located on DNR-managed lands;
- Increase carbon sequestration and storage in forests and harvested wood products from DNR-managed forestlands;
- Generate predictable beneficiary revenue;
- Maintain timber supplies that support local industry; and
- Address economic needs in rural counties.







Questions





