

5. SOCIAL AND ECONOMIC INDICATORS

I. Introduction

Summary Statement: The economic goals set forth in the Hughes Creek Hazardous Fuels Reduction Monitoring Plan have resulted in the successful funneling of a revenue stream into Lemhi County. During a period in which the local unemployment has been rising sharply, the private land projects have resulted in the direct employment of 30 individuals from Lemhi County. Local contractors have received over \$200,000 to this point. The local contractors have responded effectively in winning contracts as 93.8% of the project revenue has been earned by Lemhi County residents. The economic benefit area of this project remains very centralized as the remaining 6.2% of revenue has been earned by residents of southwest Montana.

Upon the inception of the Multi-Party Monitoring Plan, the Hughes Creek Multi-Party Monitoring Committee (“the Monitoring Committee”) set forth an initial set of goals in order to track the economic and social impact of this project on the local economy. For this report, “local” is being defined as Lemhi County, Idaho. According to the Forest Service Handbook there are three general ways to measure impacts on income and employment. For this study “absolute Measures” will be used. This method dictates the use of “actual” dollar values and labor hours instead of multipliers and coefficients (FSH 1909.17). The economic indicators used to evaluate whether the goals are being met consist of the number of local jobs created, the number of local contractors employed, the amount of partnership financing procured, and any potential increase in capacity of the local economy. Social indicators are often more qualitative in nature, and therefore can be difficult to evaluate. The social indicators initially designed for this project aim to determine public knowledge and acceptance of forest restoration work, and direct public involvement. The indicators used to quantify this information include number of volunteers recruited, volunteer work hours performed, and attendance at outreach events.

While these goals will continue to act as the framework in determining the socioeconomic impact, indices may be expanded and altered in order to provide as much valuable information as possible. As with any multi-party plan, there will be many different sources that possess the information required to draw conclusions. In this situation the method of obtaining information will most often be direct interviews with contractors, funders, Lemhi County, participants in the Lemhi County Forest Restoration Group, and the U.S. Forest Service.

The records from these entities will provide an accurate portrayal of the dollar amount that has entered the local and regional economies as a result of this project.

II. Background: Lemhi County Economics

To properly evaluate the impact of this project on Lemhi County, it is necessary to understand the economic conditions during the life of this project. Lemhi County is a rural county with a population of 7,808 and a total of 1.7 persons per square mile. Compared to the rest of the United States, Lemhi County as a whole is a low income area. The 2007 median household income of the county was \$37,523 versus \$50,740 nationwide (Fig 5-1). As a whole, Idaho ranks in the bottom one third of states in terms median household income. Compared to other counties in Idaho, Lemhi County ranks 42nd out of 44 counties in terms of median household income (Northwest Area Foundation). Lemhi County has not been immune to the effects of the national recession. From 2007 to 2009, Lemhi County's annual unemployment rate has nearly doubled from 4.3% to 8.4% (Fig 5-2).

Due to the low income levels of the local economy, the funds of this project will have a magnified impact. Based on median household income, every dollar spent in Lemhi County will have 26% more impact than that of the average county in the United States¹.

III. Economic Indicators

In the summer of 2008 the Salmon Valley Stewardship helped secure funding through the National Forest Foundation to pay Jake Kreilick, forest restoration specialist for the Wild West Institute, to take the lead in drafting a multi-party monitoring plan for the Hughes Creek Hazardous Fuels Reduction Project. His tasks have included forming a subcommittee of the Lemhi County Forest Restoration Group, meeting with agency specialists, and writing the plan. He has also spent time in the field gathering baseline data, establishing plots in designated old growth units, creating photo points, and prescribed burn observation.

The work that has been done as of December 2009 by private contractors on this project falls into 6 different categories. These are hazardous fuels reduction, noxious weeds treatment,

¹ $(\text{U.S. Median Household Income} - \text{Lemhi County Median Household Income}) / (\text{U.S. Median Household Income} - \text{Lemhi County Median Household Income}) = 0.26$ or 26%

stream restoration, aspen stand improvement, vegetation and other monitoring, Ditch Creek bridge replacement, and road improvements.

A discussion of these activities and anecdotal information follows. The anecdotal evidence is derived from direct interviews with contractors and is considered subjective information. Going forward, these comments provide criticisms, observations, and recommendations that may be used to improve the processes for this and future projects.

A-Hazardous Fuels Reduction

There were 3 contracts that were engaged in hazardous fuels reduction activities on private property. This work was coordinated by the Lemhi County Wildland Urban Interface program manager and was made possible by funding from the Idaho Department of Lands. Three separate contractors worked on three separate projects that included removal of small diameter trees within the road corridor, on the Cerise property, and the Robert Felton property.

B-Weeds

In an effort to contain the spread of noxious weeds as a result of this project, the Lemhi County Cooperative Weed Management Area issued a cost share for weeds treatments on the private lands located within the treatment area. The funds were derived from a 2007-2009 mid-capacity grant to Salmon Valley Stewardship from the National Forest Foundation, and matched with funds from private landowners. The winning bid went to a local contractor. In 2008 the contractor treated a total of 67.27 acres of land for 13 different land owners.

In 2009 the contractor received repeat business from two of the landowners that he had treated under this contract. He treated an additional 4 acres of land. For this he charged his typical rate of \$45/hr.

The noxious weeds contractor saw some room for improvement in the contracting process. All private properties to be treated were included in one contract. Due to the variability in terrain and weed coverage, it was difficult to estimate treatment costs for all properties together. Seeing this as an opportunity to gain repeat business, he purposely bid low. As a result he received about half the hourly wage he typically charges. In the future, he believes it would be better to bid on multiple contracts featuring individual properties. The County Weed

Superintendent, Daniel Bertram, concurs and would recommend in the future using the cost share to ensure a multi-year approach to treating weeds.

C-Stream Restoration

In order to complete the stream restoration project on the Cerise property, Salmon Valley Stewardship, the lead organization for the project, enlisted the services of a project manager, restoration consultant, and a horse logger, and added summer intern staff support. Funding for the stream restoration project was obtained by Salmon Valley Stewardship in a grant from Formation Capital/Idaho Conservation League's Conservation Action Program. SVS partnered with a non-government (NGO) organization out of Montana. The NGO, the Trout Conservancy of Montana, had unique expertise in the type of stream habitat restoration planned for this project. The NGO had experience working with a horse logger from St. Ignatius, Montana, and were reluctant to engage a new contractor so some of the economic benefit of this project was realized regionally (Montana) rather than locally.

Prior to execution of the stream restoration project, Salmon Valley Stewardship's director and stream restoration intern accompanied John Zelazny of the Trout Conservancy to two sites in southwestern Montana where similar projects have been implemented.

A fisheries biologist from Montana was hired as an onsite technical advisor for stream habitat restoration. The horse logger was hired to help complete the stream restoration project, and provide education on horse logging in riparian zones.

The act of contracting a horse logger from outside Lemhi County drew some local criticism. For a project in which draft animals will be skidding logs around multiple people, project managers determined that someone experienced in this type of work would create the safest environment. The logger employed had a unique set of skills that caused project managers to contract with him as a single source provider instead of a low bid contract. A local rancher raised concerns about this contract citing that he and other Lemhi County residents were qualified to perform this activity.

Seeing this as an opportunity to improve the skill set of local contractors, SVS decided to structure this as a horse logging workshop, where interested parties could gain the skills necessary to bid on similar projects in the future. SVS contacted local residents who were part of

the formative Teamsters Club about the opportunity to attend this workshop. Only one horse logger attended (and that individual was from Montana), but the workshop had unexpected benefits. Although horse logger attendance was poor, several individuals interested in this innovative, low cost method of stream restoration attended and have since followed up with additional training in the methods used. This will likely have a significant effect in the Salmon River Valley as one of the individuals has a consulting business and provides advice to a variety of landowners wishing to alter stream banks and riparian areas; one is the Central Idaho representative for Trout Unlimited; and one is a federal employee with the Bureau of Reclamation.

D-Aspen stand improvement

Salmon Valley Stewardship received a Matching Awards Program grant from the National Forest Foundation in the amount of \$25,000 to work on aspen regeneration in the Upper Salmon River Basin. Much of that work was focused on the Hughes Creek project area. The grant and matching funds enabled SVS to hire a part-time staff botanist to lead aspen inventory and monitoring protocols. In those units where conifer encroachment was indicated as an impediment to aspen survival, contractors were hired to thin and/or girdle conifers. A local contractor who had some previous experience with hazardous fuels reduction projects on private land won the bid which was written to follow the federal Service Contract Act. This meant that the contractor had to pay employees the prevailing wage for the type of work they were doing, as well as provide workman's compensation insurance as well as liability insurance.

E-Ditch Creek Bridge

The Hughes Creek Environmental Assessment analyzed the replacement of the Ditch Creek Bridge because the bridge had been removed as unsafe. The bridge replacement and some road improvements were solicited by the Forest Service as a result of appropriated funding and Central Idaho Resource Advisory Committee funds. The winning bid went to a local construction firm. This company was able to provide employment for 12 local laborers while completing this project in 2009. The owner of the company explained that they gained a valuable new skill in

new road construction, allowing them to bid competitively on similar projects in the future.

Other potential bidders commented that bundling the two kinds of work together – bridge replacement and road improvements – excluded small contractors because of the high bonding requirements and the array of equipment needed. They felt that by creating a project of that magnitude, chances for interested contractors from outside the region were increased and local chances for employment were decreased.

Table 5.1 shows how much revenue has been generated from each portion of the Hughes Creek work activities including activities on both public and private lands.

Table 5.1 - Hughes Creek Project Totals for 2008 - 2009:

| Project | Dollars | | Workers | | Labor Hours | |
|---------------------------|------------------|-----------------|--------------|----------|--------------|------------|
| | Lemhi County | Other | Lemhi County | Other | Lemhi County | Other |
| Aspen Restoration | \$15,534 | | 5 | | 304 | |
| Ditch Ck Bridge and Road | \$150,347 | | 12 | | 612 | |
| Hazardous Fuels Reduction | \$21,907 | | 8 | | 576 | |
| Noxious Weeds Treatment | \$4,028 | | 1 | | 104 | |
| Stream Restoration | \$7,955 | \$8,727 | 3 | 4 | 571 | 280 |
| Monitoring | \$1,800 | \$4,500 | | 2 | 120 | 300 |
| Totals | \$201,571 | \$13,227 | 29 | 6 | 2,287 | 580 |

Table 5.2 shows that to date, nearly 94 percent of the revenue has benefitted Lemhi County residents.

| Table 5.2 – Local Worker Impact | | | |
|--|---------------------|--------------------|--------------|
| | Lemhi County | Other | % Local |
| Total Persons Employed | 30 | 5 | 85.7% |
| Total Labor Hours | 2387.4 | 580 | 80.5% |
| Total Revenue | \$201,571.26 | \$13,226.76 | 93.8% |

IV. Social Indicators

The two most important items to monitor the social impact of this project are direct

community involvement, and public knowledge and acceptance of forest restoration projects. The indicators used to understand the project’s effect on these items are volunteers recruited, volunteer hours performed, and attendance at outreach events.

Since the summer of 2008 there have been numerous activities that have been successfully completed with the help of volunteers. Events with volunteer labor include aspen delineation, roadside fuels reduction, and the Hughes Creek stream restoration and monitoring. To gauge the level of public awareness, attendance records will be used of any event where information about this project was presented. These events include, but are not limited to, Salmon Valley Stewardship’s annual Harvest Celebration event, Idaho State Fire Plan Working Group’s Hughes Creek Field Trip, the Aspen Photo Contest, and Lemhi County Forest Restoration Group Meetings.

The Lemhi County Forest Restoration Group was very successful in engaging the general public regarding this project. Although some of the event attendees were present at multiple events; 278 people (3.5% of the population of Lemhi County), attended events where information regarding the Hughes Creek Project was presented. The involvement of volunteers donating 243 hours of time is an indicator of positive public perception of the project. For every paid laborer working on this project, there has been a volunteer donating his or her time.

Table 5.3 – Volunteers and Public Participation

| | |
|--------------------------------------|------------|
| Volunteers | 41 |
| Volunteer Hours | 243 |
| Event Attendance (Figure 5-4) | 278 |

Comment [SVS1]: Where is this?

V. The Role of Stewardship Contracting

When stewardship contracting authorities are invoked, the Forest Service may use Best Value criteria rather than low bid. The Lemhi County Forest Restoration Group stewardship contracting subcommittee has been working with the Salmon-Challis to identify values that constitute Best Value criteria, including a definition and preference of using a local workforce. Another advantage of the stewardship contracting authority is the ability to allow a longer period of time (up to 10 years) to complete the work.

At the moment there are multiple fuels reduction projects expected to go out to bid as part of a stewardship contract scheduled to be let by the Salmon-Challis National Forest by August 2010. Among these projects is a 181 acre unit designated for commercial thinning. This unit contains approximately 750,000 board feet of timber. Low market values indicate the total value of materials to be removed between \$5,000 and \$10,000.

Eight units totaling 506 acres designated for ladder fuels reduction. The bundling of the project is intended to help to increase the capacity of local contractors. Projects of this magnitude often end up going to large regional organizations, and may continue to do so if local contractors do not find a way to bundle their services and form joint ventures capable of responding to the Request for Proposals.

Methodology and Timeline for Ongoing Socioeconomic Monitoring:

As the Hughes Creek project implementation continues, the following activities should take place to make sure the socioeconomic effects of the project are being adequately monitored and adaptive management used for this or future project if desired objectives are not being met:

Comment [SVS2]: This is the how-to manual to make sure monitoring continues. If there is a form for Karin Drnjevic to give to contractors, attach it. If there is a contracting officer at the FS who will give information, include that, etc.

| Activity | Timeline | Contact | Indicators |
|---|---------------|---|--|
| Remain Updated on Contract awards | Continuously | Karin Drnjevic, Gina Knudson | Names of Contractors |
| Contact Contractors | Prior to Work | Individual Contractor | Provide Labor Feedback form, and inform contractor what information is needed |
| Record current economic conditions of Lemhi County | Annually | www.bls.gov, Headwaters Economics, 2010 Census Information | Median Household Income, Unemployment Rate, |

| | | | |
|---|-----------------------|---|--|
| Record Volunteer Effort and Event Attendance | Continuously | Gina Knudson | Number of volunteers, Total Volunteer Hours, Event Attendance |
| Follow up with Contractors | After Work Completion | Individual Contractors | Contract Dollars, Laborers, Labor Hours, Local vs. Non, Qualitative Contractor Information |
| Record Labor completed on Public Land | Continuously | Mike Smith-USFS Daniel Bertram-Lemhi County Weeds | Acres Treated, Dollars Spent, Local Laborers vs. Non-Local, Labor Hours |

