



Four Things You Should Know About Budget Modernization

1: What is Budget Modernization?

Budget Modernization is the project name. The project action is the realignment of the agency's budget structure, which is intended to improve transparency and accountability. This is primarily through the creation of designated line items for salaries and expenses; facilities maintenance and leasing; information technology; and organizational services and support. The realignment also eliminates cost pools, no longer necessitating complex distribution rules and processes.

2: Who asked the Forest Service to change the structure?

Discussion on how to improve Forest Service budgeting is not new. However, the General Accounting Office began to review the agency's internal controls over budget execution in 2016. A 2018 General Accounting Office report found deficiencies while acknowledging that the agency had adequate processes over certain budget execution activities. The review found process flaws in agency handling of funds, including administrative control and fund transfers. Over time, the agency worked internally, with the Office of Management and Budget and the Appropriations Committees, all of which led to the decision to realign the budget to better provide effective and efficient monitoring of budget processes and transparency in how the agency spends funds. In April 2020, Congress formally approved the new structure, which is effective beginning in FY 2021.

3: How is the agency prepared to adjust to the new structure?

The Budget Modernization Team worked across the agency to prepare for the change, including complex analytics that facilitated the realignment of funds. The Team continues to work with regions, stations, and Washington Office units to understand the new numbers, allowable use of funds, and to provide tools for managing resources using the new structure. A separate yet critical effort through Human Resources Management is focused on workforce and human capital planning.

4: What benefits are expected with the new structure?

The new budget structure acknowledges that our employees are our greatest asset and fully funds employees from the start of the year – a departure from planning in prior years. By funding employees first, the new budget structure pivots our planning of programs of work and allows for a greater focus on relationship building.



Forest Service Treasury Accounts and Associated BLIs

Account: Forest Service Operations

- Facility Maintenance and Leases
- Information Technology
- Organizational Services
- Salary & Expenses

Account: Forest & Rangeland Research

- Forest Inventory and Analysis
- Forest and Rangeland Research
- Salary & Expenses

Account: State & Private Forestry

- State Fire Assistance
- Forest Health Management — Cooperative Lands
- Forest Health Management — Federal Lands
- International Forestry
- Landscape Scale Restoration
- Forest Stewardship
- Community Forest & Open Space Conservation
- Urban and Community Forestry
- Volunteer Fire Assistance
- Salary & Expenses

Account: National Forest System

- Collaborative Forest Landscape Restoration
- Forest Products
- Grazing Management
- Hazardous Fuels
- Land Management Planning, Assessment and Monitoring
- Landownership Management
- Law Enforcement and Investigations
- Minerals and Geology Management
- Recreation, Heritage, and Wilderness
- Vegetation & Watershed Management
- Wildlife & Fisheries Habitat Management
- Salary & Expenses

Account: Capital Improvement & Maintenance

- Facilities
- Roads
- Trails

Account: Other Appropriations

- Subsistence Management
- Range Betterment
- Gift & Donations Research
- Comm Site Admin

Account: Wildland Fire Management

- Preparedness
- Suppression

Account: Land Acquisition

- Acquisition of Lands for National Forests Special Acts
- Acquisition of Lands to Complete Land Exchanges

Notes:

- Forest Service Operations is a new Treasury Account.
- Salary & Expense line items assume militia base salary will continue to be charged to Suppression
- Capital Improvement & Maintenance — Facilities — includes both Capital Improvement Projects and Recreation maintenance. Maintenance on Administrative Facilities is now funded via the Facility Maintenance and Leasing line item in the Forest Service Operations account.
- The Forest Legacy Program and Land Acquisition line items are no longer reflected in the structure because the Great American Outdoor Act moved those funds from discretionary to permanent accounts.