

Workshop Description and Summary

On March 26, 2007 approximately 18 members of the public, Forest Service staff, and Headwaters Economics participated in a day-long workshop titled “Know your Social and Economic Situation” to kick off the Santa Fe National Forest Plan revision.

The goals of the workshop were to involve the public early in the process of developing a new Forest Plan, discuss and understand better the social and economic situation of the area and how it has changed since the last Forest Plan was adopted, and generate reliable and transparent information the Forest Service can use to inform its planning and management.

The day began with an introduction from Dan Jiron, Santa Fe National Forest Supervisor. A presentation on the changing economy of the West followed to set the context for local and regional socioeconomic changes since the current Forest Plan was adopted. There was then a discussion on values, focusing on what’s important to residents and businesses about the National Forest. After lunch socioeconomic profiles were handed out and the group identified key trends and issues. This was followed by a final discussion on how the National Forest could support area values and aspirations. At the end of the day, next steps were outlined.

The key discussions focused on values (What’s important to you about the Forest?), context (How are the demographics and economics of the region changing? What are the significant variations within the region?), and issues (How can the Forest support area values and aspirations? What’s worth sustaining? What’s worth promoting?).

The day’s discussion was civil, wide-ranging, and informative. Mike Dechter with the Forest Service kept impeccable notes on the conversation – they are attached below. These notes are the best record of the discussion.

A summary of key social and economic indicators is also included below. For additional data, profiles and summary information on the region visit the following web site:
www.headwaterseconomics.org/santafe.php.

Rob Potts with the Forest Service suggested that comments from the day could be organized into the following categories: people, resources, and processes. The Forest Service will need to consider, and will need help considering, each of these areas.

For example, the region has grown tremendously since the last Forest Plan, many of its residents are involved in different economic pursuits, and while some are well off many are struggling. At the same time, Forest resources are valued as more than monetized products or services. Traditional uses and non-market values remain important and are in some instances growing in significance. How to balance demands on the forest while meeting new sustainability guidelines will require the public and Forest Service to cooperate, sharing resources and managing adaptively.

Workshop participants are willing and eager to stay involved in the planning process. This first workshop set a constructive and collaborative tone for future discussions. Workshop evaluations were positive and a number of participants requested follow up meetings to learn more and help craft solutions to identified issues.

Workshop Presentation and Discussion Notes

Headwaters Economics: Ben Alexander, Jeff van den Noort

Forest Service: Dan Jiron (forest sup.), Ruben Montes (SO, Rural Development Program), Julie Bain (Pecos/LV NEPA Coordinator), Mike Dechter (Jemez/Cuba NEPA Coordinator), Lawrence Lujan (SO, PAO), Rob Potts (forest planner), Jon Williams (Ecosystem Staff)

Stakeholders: **Heyh Ley** (Recreation Service Provider, grazing permit holder, Chairman for San Miguel Co.), **Jim Dimas** (Village of Pecos, Village Clerk), **Gordon Spingler** (Black feather motorcycle), **Rick Alcon** (R&S Power Sports Group owner), **Norma McCellan** (vice chair Sierra Club NM chapter), Jarret Sasser (), **David Cordova** (El Greco, Truchas, NM), **Max Cordova** (El Greco, Truchas, NM), Sherry Barrow (), **Joe Turiciano** (Santa Fe Ski Area), **Donnie Quintana** (NM Economic Dev Dept.), Wes Smalling (), **Ed Litleureux** (High Desert Angler), **Janine Sieja** (Santa Fe Mountain Adventures, permitted outfitter), **Michael DeBonis** (SW Regional Director, Forest Guild), **Matt Atencio** (Pecos Wilderness grazing permittee) *(**Bold names were present at the meeting**, non-bold were expected but did not attend)

Purpose: Santa Fe National Forest is currently involved in forest-wide planning processes including Travel Management and Forest Plan Revision, and we want to answer the questions: How does what we do contribute to ecologic, economic, and social sustainability? This meeting will focus on how Forest activities/ management currently contribute to **economic and social** conditions.

I. Welcome by Dan Jiron, Santa Fe National Forest Supervisor

II. The Changing Economy of the West – Ben Alexander

Introduction

- Background on Headwaters Economics – non-profit group that works with social and economic data to improve decisions that affect communities and the land
- What's changed in the last 20 years since the last forest planning issue? What are the salient issues that help drive social and economic forces?
- Is information we have relevant toward understanding economic/social change that has an effect on or is affected by Forest Management?

Key Points

- Presentation focuses on recent changes, drivers of change, winner & loser of change, and adaptation to change
- How has regional economy changed?
 - Changes primarily occurred in goods production, services, and non-labor income
 - 100% of net new jobs in U.S. are in 'services' (services are anything not considered goods production, and many traditional jobs under agriculture and other sectors are now more specialized and considered 'services')

- The median county in the West earns \$0.37/dollar from non-labor income, which is primarily from retirees
- One out of every two new dollars in the west come from services, one out of every three new dollars in the west comes from personal income
- Wood products, Agriculture (including ranching), and Mining (including oil and gas) make up 2 percent of the economy in the west (west-wide... including large cities such as LA, etc.)
- Economy of the **rural west** – Non-labor income (retirement \$\$\$, social sec payments, etc.) is the largest provider of personal income in the west, services is second.
 - Wood products, agriculture, and mining make up 8 percent of economy in the rural West, less than the 1970s when it was 20 percent of the economy
- What is driving this change?
 - Changing nature of **goods production, aging population, emphasis on services/information**; new competitive advantage for nation
 - Goods production – much manufacturing is now considered ‘services’. What is now considered manufacturing is commonly out-sourced to other countries where there is a cost and competitive advantage
 - Aging population – Percent of population 65 and older is growing tremendously. Baby Boomer generation is beginning to retire and most live an active lifestyle with new needs and desires.
 - Max Cordova – Do maps take into consideration immigration... this is one of the biggest changes I have seen? Immigrant populations are contributing to many families... Headwaters: all documented immigration is included.
 - Services eclipse agriculture, mining & oil, and wood production by almost an order of magnitude in contribution to the economy.
 - Service are integral to manufacturing parts of the economy, and many services used to be considered parts of goods production
 - Data from 2003 shows that service jobs (\$37,362) are generally slightly lower paying than goods-producing (\$43,552). Leisure and hospitality jobs (\$ approx. \$18,000) are shown as half that of service jobs.
 - Economic winners and losers (based on annual percentage of growth among rural, metropolitan, and rural with access to an airport)
 - Isolated rural populations are the lowest in population, employment, and personal income; but rural populations with access to airports provide the most growth in population, employment, and personal income
 - Data shows that education is a primary element driving personal income and per capita income, but not % employment for counties
 - Wages west-wide have really outpaced wages in resource-dependent communities in the west since the early 1980s
 - Counties that are more than average dependent on ‘Producer services’ have grown the fastest
 - Adaptation to change?
 - How has the West’s competitive advantage evolved? What is the role of public lands in playing to the region’s strengths?

- Responses:
 - Joe T. – Competitive advantage is tied to population growth
 - Hugh L. – The economic base is changing in local forest-dependent communities (Pecos) are being driven by services industries that are capitalizing on Internet access and cheap land/labor in the west.
 - Joe T. – though populations are growing in the West, my working age children have left to find jobs.
 - Norma – One thing that wasn't mentioned anywhere is the word 'water' which is a key resource from the Forest, which may substantially limit growth
 - Rick A. – non-geographically dependent industries have been a reason for growth in fast-growth parts of NM. Job availability and wages play an important part in where people live, if you take those away quality of life (schools, rec, etc.) is most important and that is a competitive advantage of this area
 - Ruben Montes – The welcoming atmosphere and people are the reason there is so much growth. How do you instill responsibility and perspective in newcomers... why would you build a huge house on the foothills where there are resources the population depends on?
 - Norma – To add on to that... many of the builders of these huge homes don't even live here year round and aren't part of the community.
 - Max – The issue isn't only water, but clean water. I see rural communities suffering for basic services in the future, we need rural energy self-sufficiency. I think oil & gas plays a bigger role than was presented, and it would be advantageous to take this issue on to maintain the quality of our resources
 - Ben A. – Oil and gas typically follows a path of booms and busts. We are in a boom now. We don't know what the future holds. If we could do those activities in a way that doesn't limit other activities, such as clean water, forest communities can use activities such as oil and gas to work toward a goal of diversified economies.
 - Jim Davis – Our goal at the local level in Pecos is to help local businesses to grow. Rio Rancho, Albuquerque, Los Lunas, Belen are all growing and need somewhere to recreate. We want to build up our businesses to meet these needs... we have worked hard to provide services (police, fire) to enable local business growth... we can't limit growth, New Mexicans want to maintain their culture, have their sons live here, and maintain cultural activities such as grazing.
 - David Cordova – I see our sons needing to leave our smaller communities to find well paying jobs. Then others with \$\$\$ come in, buy property, and increase the cost of living. I want to find jobs for people who are here... we can create new industries such as biomass, we can mandate through federal means that growth is set-aside for local growth.
 - Jim Davis – the key issue is water. That is what controls our growth.
 - Hugh L. - Forests will be a huge component of water issues, but domestic wells are going to be inconsequential
 - Max C. – but waste is a huge problem. Our water is being made unusable because of contamination.

What is Economic Sustainability – What's worth sustaining/promoting? – discussion led by Ben Alexander

- Julie B – it's worth promoting local agriculture and beef. Would be sustaining many things – family economics, less dependence on fossil fuel economy,
- Donnie Q. / Jim Davis – Is ranching being used to its most effective use on NF lands? Grazing supports many small businesses and keeps money in small rural communities.
 - Maintaining sustainable ranching operations allows us to maintain values of tradition, maintaining the land in use,
 - Norma – there's a fine line b/w healthy grazing and over-grazing. There are groups that support sustainable grazing, which maintains most values.
 - David C. – We have organic beef supplies that aren't marketed that way and are not connecting with organic products demand locally. We need to develop this value added opportunity.
 - Gordy – My value would be to maintain a rural setting
 - Ruben – what is sustainability? There are many definitions... should we define it first. To me it is an Ecosystem's *resiliency* to change is a good definition.
 - Rick A. – My value is the experience of visiting the Santa Fe National Forest. Is that a viable or limited experience? How does that use affect other community functions?
 - Hugh L. – My experience has been that people want to spend less time in the woods with more amenities
 - Matt A. – Seasonal grazing provides returns to rancher and forest. There's a symbiosis. Seasonal grazers don't get benefits of year-round grazers, but provide services like trail maintenance, spring maintenance for wildlife, etc. Seasonal grazers also contribute greatly to private industry. Though there is some overgrazing, we work to prevent that.
 - Hugh – I see most of the Forest money being shifted to Fire, and this means other sustainability issues are being pushed aside. Service days in our communities are decreasing in a downward spiral, and there are less and less services provided by local Forest Service entities – this has resulted in the loss of many local businesses
 - Rick A. – For Hugh to add economic value to the permit, he's limited on what he can do. There is very limited opportunities with annual permits to build sustainable private/public partnerships toward sustainability. Businesses need more predictability.
 - Donnie Q. – Has the Forest Service ever done a study on industries heavily related to FS?
 - Dan J – Yes, there have been several... but I'm not going to be too specific. Water will be biggest environmental service that Forests provide.... It will be one of the most important things we do and may be the main consideration on how ecosystems are managed. This is a substantial change.
 - Ben – challenge for FS is how do you measure and value non-use or non-market values? How do you quantify these and consider these in management?
 - Max C. – The forests used to be managed for cows and now it's managed for people. There are still areas of compatible use, but there are also more conflicts more than ever. We talk about multiple use but can we do it? There's room for partnerships to deal with adaptation, the worst thing that can happen is they fail and there's no one to blame.
 - Mike D – Place-based and traditional knowledge is essential.

- Julie B. – Continuity of leadership in FS and in community are key. Especially when dealing with long-term ecosystem changes and need for place-based knowledge.
- Joe T. – If I remember, Forest Plan needed to have flexibility... I'm now hearing that once the new Forest Plan is done it's done forever...sustainability needs a flexibility component
 - Dan Jiron – the new plans are meant to be more flexible and can be changed. The plans are made to move management toward values and key goals, but also to change and be able to use new science and information.
 - Joe T – recreational value and traditional values are both important. Respecting everybody's use of public lands.
- Max C. – There is a misconception that everything FS does is permanent. We have areas we worked 5 years ago that are now more heavily stocked than before!
 - It is important to recognize that forest management meant to meet community needs (firewood) can help meet other goals such as range improvement, wildlife openings, water, etc. 3 Ms management, continued management,
 - The environmental community has never understood that traditional communities are the first line of defense against environmental degradation, because we depend on them the most.
 - Santa Fe has some of the most forest-dependent communities
- Jim D – Forest communities are too dependent on watersheds to allow let-it-burn policies
 - Wildland firefighting policies are essential to protect resources
 - I'd like to have more information about what Forests are planning over the next several years
 - Dan Jiron – The Forest Service doesn't have an open let-burn policy... that is a myth. Where it can be used as an ecosystem process it is under specific controls and can only occur in specific areas (such as wilderness). Our goal is to be as up-front as possible with information about out plans.
 - Jim D – The Village of Pecos wants to sit at the table and plan to protect the Pecos River area so that there is a place for travelers to dump their RV waste in a safe manner.
- Ruben Montes – We'd like to work more with local communities and governments with opportunities like use of biomass such as the Gallinas Project in Coyote
- Janine S– It seems our resource concerns and multiple-use struggles are really tied into regional growth. Promoting local economies that don't necessary result in conflict over uses is a key to working with the changing economy in the New West. Recreation is a good example of low-impact economic use of the Forest that doesn't conflict with other uses and can contribute to education of Forest users.

- David C – New Mexico poorly markets what it is that we are preserving. There is no New Mexico beef, but there is Texas beef... we need to Market our values better to create economic opportunities.
- Rick A. – definition of sustainability – change is a reality based on our action or inaction. Stakeholder thoughts on National Forest Lands has changed radically over the last 2 decades and has resulted in more stakeholder education and *stakeholders now really depend on creating and operating a value-added opportunity in the Forest.*
 - Forest service doesn't maintain values, but manages the processes that allow for value-laden activities
- Norma – we have to remember to protect values such as wildlife and birds. Other activities affect wildlife, which is already stressed from changing conditions.

The Economic Profile System – presentation by Ben Alexander
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Headwaters Economics produced socioeconomic profiles for the region surrounding the Santa Fe National Forest using EPS: this includes an aggregate profile of six counties, profiles for each of these counties, and select town and Census subdivision profiles. In addition, Headwaters summarized industry specific information on primary forest-related activities.

- None of the above captures the non-cash economy
- **Review of County Aggregation**
 - The fact that the aggregation didn't include Bernalillo County (Albuquerque) may have really impacted the results of the economic modeling
 - It would be good to run the analysis with and without Bernalillo County... then you can see its effect on local economies. Headwaters can do this easily.
- 3 questions: Ben asked participants to review each county's socioeconomic profiles and the try to answer the three questions:
 - **How are demographics and economics of region changing?**
 - Casinos have changed patterns of movement of people... many now commute to work in communities...
 - Shift from rural to urban... internet has been a huge tool at job growth and population growth without impacts to other parts of the economy
 - Small businesses in 6-county area are having trouble maintaining earning a living in world economy
 - Region seems to be more educated in US, more old people, federal gov employment is decreasing
 - Sharp decline of Federal employees – consequences for the Forest Service and other land mgmt agencies
 - **What trends are you excited/worried about?**
 - Housing affordability is decreasing, even in less expensive counties like Sandoval and Mora
 - All counties have small % of pop in 20-24 age class and are losing it despite increasing employment and wages in most counties, population

- gains are in mid-to-late age classes – possibly because of unaffordable housing and growth of jobs is occurring in low-paying service jobs
 - Gap between production value and amenity value in northern New Mexico is a problem because the amenity values are driving land use changes and those benefits from production value is disappearing
 - Increase of non-labor income compared to labor income is a concern because it has a huge effect on local values that contribute to management of public lands
 - Most new jobs (fastest growing sectors) seem to be at a lower wage
 - Local economies of barter and local production seem to have been gutted by globalization and other like changes in the economy
 - Underemployment seems to be very high in these counties, there is a huge portion of the economy of Mora which is in the non-cash economy
 - (Hugh Ley) – Recreation Services are capturing revenue from rich customers, and SFNF plan needs to allow for other visitors as well that want to be out in the woods
 - Norma – most people I work with through the Sierra Club come to Santa Fe because of the non-market values... I think this trend is growing
 - Mike DeBonis – part of population that is growing in each county, are populations with more disposable income...provides a large opportunity
 - Rick A. – States that rely on traditional sources of tourism (non-outdoor), tourism \$\$\$ are decreasing (e.g. New Mexico). States that are embracing outdoor recreation for tourism... tourism \$\$\$ is trending up (e.g. Utah).
- **What are the significant variations within the region?**
 - Los Alamos has huge amount of specialization (little diversity)
 - Los Alamos really does not retain newly working age populations
 - In NM many people depend upon seasonal employment opportunities to support their livelihood more than anywhere else
 - Much more of Mora County is in private land than other counties; and more of this county is part of the non-cash economy
- Donnie Q. – Quality of life adds a lot to life here in NM and makes it more attractive.
- Ed L. – I’m concerned about lack of information from proprietors (only data that doesn’t include proprietors is County data profile) there is a lot of use of local contractors that would fall under this category.
 - Ben - US-wide proprietor’s wages are seen as decreasing, this isn’t true for this region
- Jim D. – there are a large sector of people retiring from government and working for for-profit firms such as engineering firms. This is why we see wages shooting up and services being such a dominant part of the local economy.
- Gordy – How does local higher education play a role? We are really not too well educated here in NM.
- **Rob Potts - What do we do about incomes that are not reported?** In development of management plan...
 - Can do this by quantifying permittees in FS and other permitted activities

- David C – I'm worried that we are obsessed with accounting for all economic data. We're never going to do this, we need to focus on minimizing the deleterious impacts of Forest decisions.

How can the SFNF contribute to Economic Sustainability? – by Rob Potts

Summary by Rob Potts -

- water – quantity and quality
- Opportunities for children
- Local, traditional, local, balance, access, multiple-use, predictability, continuity, renewable energy, stakeholders,
- Blessed to have 32 resource-dependent communities
- **What do we want to sustain? Themes**
 - Resources - Water, wildlife, vegetation
 - People - traditions, ways of life, children, community, stakeholders
 - Processes – locally, traditionally, balanced, embrace concept of multiple use, diversity, access, continuity
- Hugh Ley – The region has been managed in the past where local input was weighed more heavily than national direction. It doesn't seem that happens anymore... the RO or some national interest has more input than any large community effort. Where are we now? How will our input be considered or weighed?
 - Rob Potts – How do we balance input from all stakeholders? Decisions on resource issues are not a vote. But there is a balance of input... we are national forests. Site specific information is more helpful than general opinions.
 - Rob/Hugh – This group has been brought together to gather information to help define parameters of the plan process
 - If we don't change anything in the plan, what are the threats to sustainability?

Issues – Areas that need to be investigated: have underlying conditions changed?

- Trend that the FS has fewer resources (less money and ability to manage) to get things done and manage public lands
- Water
- Central priority – restoration of fire adapted ecosystems
- Range Health
- Watershed health
- Wildlife
- Jim D. – As this process moves forward will we be involved more? Will others be involved?
 - Will official representatives from Pecos local gov. be involved (I don't speak for the Village of Pecos)

- Rob – I’m hoping this is the first of many meetings. I want this to be a springboard for us to have similar meetings in different communities with an expanded group of local stakeholders.
- Jim D. – I think Headwaters Economics is a valuable resource b/c of their experience in other communities throughout the nation. It would be valuable to keep them involved and to make sure we can consider local uses of the forest such as vigas, latillas, etc.
- Matt A. – After listening to all of this, I’d like to look at the current Forest Plan and see where it’s lacking
- David C. – I think you need to put more funding toward partnership initiatives, such as \$\$ in partners, counties, etc. Need to make recommendation at higher level to get more financing. We need some help and assistance now, not 3-4 years down the road.
- There is a likelihood that Forest Service budgets are shrinking and earmarks through Congressional legislators are very unlikely in the current political climate
 - o More money is not a reality, but government must be organized to be efficient and make money as available for on-the-ground mgmt as possible...
 - o There also needs to be more volunteer efforts to support FS efforts that support communities...
- Hugh L. – I think recreation has been built-out and most businesses left condition is now much less structured. Forest really needs to support recreation enterprise by better infrastructure.
 - o No signs on the Santa Fe compared to other NM forests (this sentiment is mirrored in NVUM data)
 - o Law Enforcement seriously lacking... on National Forest. Seriously lacking.
 - o David C. - There are minor things that make a big difference, signs, dilapidated buildings that are not taken care of, etc.
 - o Janine – there is also opportunity to use permittees as volunteers to do trail work, etc. Santa Fe should harness these strengths.
- Hugh L. – We’ve been working on creating an upper Pecos recreation complex. Lots of funding from state and Federal sources. We want to build this from the ground-up by creating what the village and local folks want.
 - o Donnie – upper Pecos is a hodge-podge of state and Federal lands. We want to make Federal and state campgrounds at the same quality level and run them through a more collaborative process rather than on two separate tracks. Want to see if we can leverage resources.