

## SUBCOMMITTEE RECOMMENDATION

### **Item 38: Department of Forestry Federal Indirect Expenditures**

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To: Ways and Means Full Committee  
From: Natural Resources Subcommittee  
Carrier: Representative Levy

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The Natural Resources Subcommittee heard a request from the Department of Forestry on their federal indirect expenditures.

The Department of Forestry's use of federal indirect charges has increased over the last four years due to an increase in direct federal grant activity. To account for the increased federal indirect charges, the agency must code, or associate, charges to the correct grant source. In accordance with statewide accounting and reporting requirements, the process of recoding the federal indirect charges will be booked as an additional expense in the current biennium, requiring an additional \$5.7 million in Federal Funds expenditure limitation.

The Natural Resources Subcommittee recommends that the Joint Interim Committee on Ways and Means include an increase of \$5,700,000 in Federal Funds expenditure limitation for the Department of Forestry in a budget reconciliation bill during the 2026 legislative session for federal indirect expenditures.