NATURAL RESOURCES

ECOSYSTEM SERVICES REPORT:
OPPORTUNITIES FOR DNR TO DIVERSIFY THROUGH INNOVATION

> **DNR is well-positioned to diversify its revenue base. I'm eager to work with the legislature to get the tools we need to let DNR's talented staff explore innovative ways to capitalize on ecosystem services markets."**

DAVE UPTHEGROVE
COMMISSIONER OF PUBLIC LANDS

ECOSYSTEM SERVICES ARE BENEFITS NATURAL SYSTEMS PROVIDE TO HUMANS—benefits like clean water, air purification, pollination, carbon sequestration, flood regulation, recreation, tourism, aesthetic value, cultural heritage, soil formation, nutrient cycling, and habitat.

DNR is now making sure they provide an additional benefit to Washington's communities—revenue. Guided by a plan developed over the past year and a half, DNR will ask the legislature in the coming session for the tools it needs to monetize ecosystem services from DNR-managed lands.

A 2021 review of agency assets by Deloitte Transactions and Business Analytics found DNR was over-leveraged in forestry and should explore ways to diversify the sources of revenue it provides Washington's schools and local governments. This plan can do just that, helping DNR conserve Washington's most ecologically valuable forests while solidifying revenue for its trust beneficiaries.

In 2024 the Washington State Legislature instructed DNR to conduct an ecosystem services inventory and develop a plan for the lands it manages. DNR contracted with Greene Economics to review potential markets, and convened a work group of representatives from trust beneficiaries, Tribes, the forest industry, conservation organizations, experts, and state and local government to guide that work.

DNR WILL WORK WITH THE LEGISLATURE TO GET THE AUTHORITY AND TOOLS IT NEEDS TO ENTER ECOSYSTEM SERVICES MARKETS DURING THE 2026 LEGISLATIVE SESSION.

NEW OPPORTUNITIES

Avoided Wildfire Emissions

Forest Carbon Markets

Leasing Excess Water Rights

TO LEARN MORE, PLEASE VISIT:
dnr-boards-and-commissions/ecosystem-services-work-group