

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

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**MEASURE: HB 5023-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Jenson  
Carrier – Senate: Sen. Edwards**

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**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc: Richardson

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Art Ayre, Department of Administrative Services

**Reviewed By:** Susie Jordan, Legislative Fiscal Office

**Meeting Date:** June 3, 2011

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**Agency**

State Forestry Department  
Emergency Board

**Budget Page**

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**LFO Analysis Page**

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**Biennium**

2011-13

## Budget Summary\*

	2009-11		2011-13		2011-13		2011-13		Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)		Current Service Level		Governor's Budget		Committee Recommendation		\$ Change	% Change
General Fund	\$ 40,419,705	\$	45,668,483	\$	43,163,298	\$	45,115,462	\$	4,695,757	+11.6%
General Fund Debt Service	\$ 2,782,804	\$	2,938,611	\$	2,938,611	\$	2,836,524	\$	53,720	+1.9%
Lottery Funds	\$ 0	\$	0	\$	700,000	\$	0	\$	0	0.0%
Lottery Funds Debt Service	\$ 1,374,136	\$	2,360,100	\$	2,360,100	\$	2,278,100	\$	903,964	+65.8%
Other Funds	\$ 209,027,972	\$	195,832,524	\$	192,878,579	\$	192,105,187	\$	-16,922,785	-8.1%
Other Funds Debt Service	\$ 1,612,481	\$	1,684,587	\$	1,684,587	\$	1,684,587	\$	72,106	+4.5%
Other Funds Cap. Improvement	\$ 4,114,893	\$	4,213,650	\$	4,213,650	\$	4,213,650	\$	98,757	+2.4%
Other Funds Nonlimited	\$ 15,039,340	\$	15,000,000	\$	15,000,000	\$	0	\$	-15,039,340	-100.0%
Other Funds Debt Srv Nonlimited	\$ 7,105,437	\$	0	\$	0	\$	0	\$	-7,105,437	-100.0%
Federal Funds	\$ 46,558,712	\$	49,248,073	\$	47,864,641	\$	44,287,734	\$	-2,270,978	-4.9%
Total	\$ 328,035,480	\$	316,946,028	\$	310,803,466	\$	292,521,254	\$	-35,514,226	-10.8%

## Position Summary

Authorized Positions	1,227	1,216	1,245	1,181	-46
Full-time Equivalent (FTE) Positions	864.07	867.31	894.64	862.32	-1.75

(1) Includes adjustments through March 2011.

\* Excludes Capital Construction expenditures

## Emergency Board

General Fund - Special Purpose Appropriation

Fire protection expenses	\$ 0	\$ 0	\$ 0	\$ 4,781,000	\$ 4,781,000	100%
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## Summary of Revenue Changes

The State Forestry Department is funded with General Fund, Other Funds, and Federal Funds. Other Funds revenue sources include the harvest tax, landowner assessments, and sale of timber on forestlands managed by the department. The budget assumes passage of House Bill 2124, which would set the Forest Products Harvest Tax rates for calendar years 2012 and 2013. This tax helps fund the Forest Practices program. The agency receives Federal Funds for a variety of fire program activities, and for rule effectiveness monitoring projects, forest insect and disease activities, and for landowner assistance in the Private Forests program. The Subcommittee approved continuing federal grants through the United States Forest Service Rural Fire Department Assistance, Western State Fire Managers, Community Assistance, and the Western Competitive discretionary grant programs. Federal dollars are sometimes budgeted as Other Funds. The agency pays for its administrative functions via intra-fund transfers from the program units.

## **Summary of Public Safety Subcommittee Action**

The State Forestry Department works to serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability. The agency:

- provides forest fire protection services
- provides forest management and conservation technical assistance to landowners and communities
- develops plans for habitat conservation, forest health, and timber production on state forestland
- provides high quality seedlings for reforestation
- works with partners on practical solutions for salmon habitat restoration and encroaching urbanization of wild land areas

The Subcommittee approved an agency total funds budget of \$292,521,254 and 1,181 positions (862.32 FTE) and the establishment of a \$4,781,000 special purpose appropriation in the Emergency Fund for fire protection expenses. The total funds budget is a 7.7 percent decrease from the 2011-13 Current Service Level (CSL).

### **Agency Administration**

The Agency Administration program is responsible for policy development, forest resource analysis and planning, information systems support, financial services, personnel, safety and training, central word processing, administration of log branding activities, public affairs coordination, and air operations. The Subcommittee approved a budget of \$24,384,766 Other Funds, \$1,975,772 Federal Funds, and 90 positions (89.30 FTE).

The Subcommittee approved Packages 086 and 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 372: Administrative Costing Realignment. This package – present in the Administration, Fire Protection, and Private Forests programs – updates the basis on which the agency's Administration costs are pro-rated to the agency's Fire Protection and Private Forests programs. It brings the agency into accord with Secretary of State audit findings. It increases the Administrative Prorate for Fire Protection and diminishes it for Private Forests. It adds \$2.0 million General Fund to Fire Protection and reduces \$1.8 million General Fund in Private Forests, resulting in a net increase of \$0.2 million General Fund to meet the combined programs' current service level for Administrative Prorate. Package 372 makes no change to expenditure limitation in Agency Administration.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package shifts two positions in the Private Forests program for a Program Analyst 2 and Admin Specialist 1 in the Agency Administration program for agency-wide Federal Grant Administration. In addition the package resolves a long-standing work-out-of-classification issue by reclassifying an Information Systems Specialist (ISS) 4 to an ISS6, reclassifies an existing vacant Principle Executive Manager (PEM) C position to a PEM A to create a payroll manager, and resolves a two-year double-fill by abolishing an Office Specialist 2 position and creating a Procurement and Contract Specialist 2. These changes in classification result in a \$3 savings in Other Funds and an increase of \$306,264 Federal Funds from the transfer of vacant positions.

### Protection From Fire

The Protection From Fire program is responsible for fire prevention, fire suppression, and treatment of forest fuels. The agency provides fire protection on approximately 15.7 million acres of public and private forestlands. Through the Cooperative Fire subprogram, the department maintains trained firefighting crews and facilitates the sharing of interagency resources. The program's Emergency Fire Cost Committee is responsible for the Oregon Forestland Protection Fund (OFLPF), which equalizes firefighting costs across the state and supports the purchase of insurance to protect Oregon against disastrous fire costs. Fire program revenues come from the General Fund and a variety of other sources, including landowner assessments and federal dollars. The Subcommittee approved a budget of \$32,726,322 General Fund, \$54,612,737 Other Funds, \$18,019,543 Federal Funds, and 697 positions (392.88 FTE).

The Subcommittee approved Packages 086 and 087 which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 090, Analyst Adjustments. This package reduces intra-agency General Fund transfers to Administration by \$232,784.

The Subcommittee approved Package 311, Fire Operations. This package uses existing Other Funds expenditure limitation and position authority from vacancy savings in Package 802 to establish five seasonal, full-time positions (2.38 FTE) to manage the contract administration, mobilization, tracking, and reporting of fire severity aviation resources deployed around the state during fire season. The positions will eliminate temporary and double-fill appointments in Medford, Prineville, and at the Salem Coordination Center.

The Subcommittee approved Package 312, Severity Suppression Resources. This package provides fire protection severity suppression resources. The appropriation identifies emergency funds from the Legislature to reimburse costs for the state's share of the purchase of catastrophic fire insurance and reimbursement for the agency's costs for seasonal aviation and ground-based emergency "initial attack" resources and management of these resources. The Subcommittee approved a special purpose appropriation to the Emergency Board in the amount of \$4,781,000 for severity suppression resources and one-half of the second fiscal year fire insurance premium cost. One-half of the first fiscal year fire insurance premium cost is included in the agency base budget at the current cost of \$415,380. One-half of the second fiscal year premium is estimated to be \$405,802 with a \$25 million deductible or \$477,500 with a \$20 million deductible.

The Subcommittee approved Package 313, Emergency Fire Cost Finance Coordinator. This package provides position authority to establish one permanent, full-time position (1.00 FTE) to eliminate a double-fill and to continue to accomplish the work of the Emergency Fire Committee Finance Coordinator. The coordinator performs the financial quality assurance and oversight required to protect and appropriately distribute funds from the Oregon Forest Land Protection Fund. Funding for the position comes from existing Services and Supplies expenditure limitation so the package does not request additional expenditure limitation.

The Subcommittee approved Package 372, Administrative Costing Realignment. This package – present in the Administration, Fire Protection, and Private Forests programs – updates the basis on which the agency's Administration costs are pro-rated to the agency's Fire Protection and Private Forests programs. It brings the agency into accord with Secretary of State audit findings. It increases the

Administrative Prorate for Fire Protection and diminishes it for Private Forests. It adds \$2.0 million General Fund to Fire Protection and reduces \$1.8 million General Fund in Private Forests, resulting in a net increase of \$0.2 million General Fund to meet the combined programs' current service level for Administrative Prorate. This package increases General Fund by \$2,008,060.

The Subcommittee approved Package 801, Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs' Budget, which is a 6.5 percent reduction from total General Fund Services and Supplies expenditures included in the Governor's Recommended Budget. A corresponding Other Funds reduction is also required due to the private landowner match rate. This is in addition to Package 086, which eliminates most Services and Supplies inflation originally built into the budget. This package reduces General Fund by \$394,207 and Other Funds expenditure limitation by \$732,102.

The Subcommittee approved Package 802, Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined to not be critical for supporting the agency's core programs. The Subcommittee approved the elimination of vacant positions combined with Package 311 to establish five seasonal positions and reclassifying an Office Specialist 2 to a Procurement and Contract Specialist to support fire crew contracts. This represents abolishing 28 seasonal positions that have not been used for the past two biennia; 4 permanent full-time positions where there is no revenue to support the positions; and parts of 6 permanent positions that have been replaced by contracted work and 2 positions that are reallocated to the State Forests program. This package reduces Other Funds expenditure limitation by \$979,686 and Federal Funds expenditure limitation by \$874,626 and eliminates 34 positions (18.29 FTE).

The Subcommittee approved Package 810, LFO Analyst Adjustments. This package is a technical adjustment to remove \$2,137,020 General Fund severity resources from the agency's base budget to be added to a special purpose appropriation in the Emergency Fund. This package also reduces the first-year cost of the catastrophic fire insurance premium by \$24,586 to align with current premium quotes adjusted for the Package 801 reduction. This package also eliminates the non-limited expenditure category originally established to capture expenditures from the Oregon Forest Land Protection Fund (OFLPF). The agency does not use the non-limited category for this purpose; instead, revenues are transferred as a reimbursement for expenses incurred. Therefore, this package reduces nonlimited Other Funds expenditure limitation by \$15,000,000. This package increases the Other Funds Services and Supplies expenditure limitation by \$860,759 for the OFLPF share of the insurance premium and increases the Other Funds Special Payments expenditure limitation by \$3 million for payments to Fire Protection Associations' emergency fire costs.

The Subcommittee approved Package 819, Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs' budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency's total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. The Subcommittee approved a reduction of \$1,189,182 General Fund and requests that the private land owner Other Fund match of \$752,215 be unscheduled and rescheduled if the General Fund is restored at a later date.

### Equipment Pool

The agency has over 3,500 pieces of equipment in its motor and radio pools. These assets include cars, airplanes, trucks, trailers, heavy equipment, and radios. The department provides radio communication services for several other state agencies. The Subcommittee approved a budget of \$14,659,793 Other Funds and 29 positions (29.89 FTE).

The Subcommittee approved Packages 086 and 087 which eliminate inflation and decrease projected personal services costs by 5.5 percent.

### State Forest Lands

The State Forest Lands program manages state-owned public forests, including the Tillamook, Clatsop, and Elliott forests. The program manages approximately 790,000 acres of land, with the Board of Forestry owning about 656,000 of these acres and the Common School Fund owning the remainder. The program supports itself with timber sale revenues. The Subcommittee approved a budget of \$84,297,595 Other Funds, \$6,519,699 Federal Funds, and 268 positions (242.43 FTE).

The Subcommittee approved Packages 086 and 087 which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 802, Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined to not be critical for supporting the agency's core programs. The Subcommittee approved the elimination of 15 vacant positions representing 5 permanent full-time positions and parts of seven permanent positions where there is no revenue to support the positions, and 3 positions that are reallocated to the State Forests program from the Fire Protection and Private Forests programs. This package also corrects a classification error for an Operations and Policy Analyst 2 position, now classified as an Operations and Policy Analyst 3 position, but with no change in salary range. This package reduces Other Funds expenditure limitation by \$720,738 and Federal Funds expenditure limitation by \$621,134 and eliminates 15 positions (10.46 FTE).

### Private Forests

The Private Forests program (the integration of the Forest Practices and Forestry Assistance programs) administers the Oregon Forest Practices Act, provides technical and financial assistance to forest landowners, provides insect and disease surveys and technical assistance statewide, and conducts effectiveness and compliance monitoring. The Forest Practices Act authorizes the Board of Forestry to develop comprehensive administrative rules that encourage economically efficient forest practices on privately owned land, while encouraging resource protection. The Subcommittee approved a budget of \$12,389,140 General Fund, \$9,270,687 Other Funds, and \$17,772,720 Federal Funds and 96 positions (106.87 FTE).

The Subcommittee approved Packages 086 and 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 090, Analyst Adjustments. This package reduces intra-agency General Fund transfer to correspond with reductions to Personal Services in Package 087 in the Administration (pro-rate assessment to Private Forests) budget. It reduces General Fund by \$126,295.

The Subcommittee approved Package 352: Compliance Audit Program. This package increases General Fund by \$92,887, Other Funds expenditure limitation by \$361,925, and Federal Funds expenditure limitation by \$13,819 and establishes one permanent, full-time Natural Resource Specialist 3 position (1.00 FTE) to provide a statistically valid measure of private landowner compliance with the Oregon Forest Practices Act. In combination with Package 354 that restores field-based stewardship foresters, this package would allow the agency to rework a Key Performance Measure to better reflect how well the Forest Practices Act is working across the landscape. The package provides \$300,000 Other Funds for contracting services to enhance compliance monitoring using independent contractors.

The Subcommittee approved the following budget note:

**Budget Note:**

The Department of Forestry shall report to the Joint Committee on Ways and Means at the next regular session of the Legislature (January 2013) on the process and results of contracting compliance monitoring.

The Subcommittee approved Package 353, Effectiveness Monitoring Program. This package increases General Fund by \$545,522 and Other Funds expenditure limitation by \$363,677 and establishes six positions (5.66 FTE) to monitor and study the assumptions and effectiveness of the Oregon Forest Practices Act (FPA) and of forest management practices generally. Other Funds are from Harvest Tax receipts.

The Subcommittee approved Package 354, Field Administration of Forest Practices Act. This package increases General Fund by \$3,689,487 and Other Funds expenditure limitation by \$1,991,043, reduces Federal Funds expenditure limitation by \$1,292,509, and establishes 10 positions (20.05 FTE) to restore some of the field staff positions lost in the 2009-11 biennial reductions. These field staff positions include stewardship foresters and technical specialists who provide one-on-one technical assistance, education, and enforcement to private landowners to ensure reforestation and the protection of water resources and wildlife. The package adds months to 17 existing positions, restores funding for part of one manager position and for 13 existing positions that were funded during the 2009-11 biennium with one-time American Recovery and Reinvestment Act federal funds, and adds back 10 positions. Other Funds are from Harvest Tax receipts.

The Subcommittee Co-Chairs expressed concern that the Department of Forestry's administration of the Forest Practices Act has fallen behind technological and industry advances which could result in cost savings and efficiencies. In order to ensure best practices are incorporated into agency performance, the Subcommittee approved the following budget note:

### **Budget Note:**

The Department of Forestry will contract with an independent third-party to assess and make recommendations on cost savings, efficiencies, and cost avoidance strategies that could prove effective for the administration of the Forest Practices Act. The Department is to work with representatives from other state agencies and private and public forest land owners, to develop a recommendation on the potential budgetary, programmatic, and service delivery alternatives. The report and recommendations are to be completed and submitted to the interim Joint Committee on Ways and Means or Emergency Board no later than July 1, 2012.

The Subcommittee approved Package 355, Forest Health Program. This package increases General Fund by \$858,117 and Other Funds expenditure limitation by \$16,215 to enable the Forest Health Program to meet its goal of protecting Oregon's forests from insects and disease including state match for federal funding to eradicate Sudden oak Death disease. The package adds back one position (1.00 FTE) and restores funding for four existing positions – three Natural Resource Specialists and one Office Specialist – funded during the 2009-11 biennium with one-time American Recovery and Reinvestment Act federal funds. The package removes the one-time Federal Funds expenditure limitation (\$401,595).

The Subcommittee approved Package 372, Administrative Costing Realignment. This package – present in the Administration, Fire Protection, and Private Forests programs – updates the basis on which the agency's Administration costs are pro-rated to the agency's Fire Protection and Private Forests programs. It brings the agency into accord with Secretary of State audit findings. It increases the Administrative Prorate for Fire Protection and diminishes it for Private Forests. It adds \$2.0 million General Fund to Fire Protection and reduces \$1.8 million General Fund in Private Forests, resulting in a net increase of \$0.2 million General Fund to meet the combined programs' current service level for Administrative Prorate. This package reduces General Fund by \$1,836,057.

The Subcommittee approved Package 801, Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs' Budget, which is a 6.5 percent reduction from total General Fund Services and Supplies expenditures included in the Governor's Recommended Budget. This is in addition to Package 086, which eliminates most Services and Supplies inflation originally built into the budget. The General Fund reduction results in an Other Funds reduction due to Timber Harvest taxes matching General Funds at a 40-60 match rate. This package reduces General Fund by \$52,787 and Other Funds expenditure limitation by \$31,688.

The Subcommittee approved Package 802, Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined to not be critical for supporting the agency's core programs. The Subcommittee approved the elimination of four vacant positions where Federal Funding is no longer available, the shift of two positions to the Administration Program for agency-wide federal grant administration, and the elimination of an Office Manager to establish a Fiscal Analyst 2 to provide fiscal analysis and budget monitoring for the program. This package reduces Other Funds expenditure limitation by \$126,823 and Federal Funds expenditure limitation by \$707,126 and eliminates seven positions (6.56 FTE).

The Subcommittee approved Package 819, Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs' budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency's total



biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. The Subcommittee approved a reduction of \$310,311 General Fund and requests that the private land owner Other Fund match of \$110,673 be unscheduled and rescheduled if the General Funds are restored at a later date.

#### Facilities Maintenance & Development Program

Facilities Maintenance & Development Program is solely focused on facilities maintenance activities. The Subcommittee approved a budget of \$4,879,609 Other Funds and one position (0.95 FTE).

The Subcommittee approved Packages 086 and 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

#### Debt Service

This program unit contains the agency's debt service obligations. The Subcommittee approved a budget of \$2,836,524 General Fund, \$2,278,100 Lottery Funds, and \$1,684,587 Other Funds; there are no positions attached to the program.

The Subcommittee approved Package 090, Analyst Adjustments. This package makes a technical correction to the accounts used for Lottery Funds debt service for the Gilchrist State Forest by moving \$1,050,000 from Principal-Loans to Principal-Bonds and \$1,310,100 from Interest-Loans to Interest-Bonds.

The Subcommittee approved Package 819, Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs' budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency's total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. This package reduces General Fund by \$102,087 and Lottery Funds expenditure limitation by \$82,000.

#### Capital Improvements

This program maintains 400 structures statewide, many of which were built over 40 years ago. The Subcommittee approved a budget of \$4,213,650 Other Funds; there are no positions attached to the program.

The recommended budget for this agency includes a reduction of General and Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage their budgets accordingly.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5023-A**

**State Forestry Department  
Art Ayre -- (503) 378-3108**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 43,202,509	\$ 1,374,136	\$ 214,755,346	\$ 22,144,777	\$ 46,558,712	\$ 0	\$ 328,035,480	1,227	864.07
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 48,607,094	\$ 2,360,100	\$ 201,730,761	\$ 15,000,000	\$ 49,248,073	\$ 0	\$ 316,946,028	1,216	867.31
2011-13 Governor's Recommended Budget*	\$ 46,101,909	\$ 3,060,100	\$ 198,776,816	\$ 15,000,000	\$ 47,864,641	\$ 0	\$ 310,803,466	1,245	894.64
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Agency Administration</u>									
Package 810: LFO Analyst Adjustments									
Personal Services	\$ 0	\$ 0	\$ (3)	\$ 0	\$ 306,264	\$ 0	\$ 306,261	2	1.61
<u>Fire Protection</u>									
Package 090: Analyst Adjustments									
Personal Services	\$ 2,031,380	\$ 0	\$ (2,031,380)	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
Services and Supplies	\$ 600,000	\$ 0	\$ (600,000)	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
Package 311: Fire Operations									
Personal Services	\$ 0	\$ 0	\$ (265,162)	\$ 0	\$ 0	\$ 0	\$ (265,162)	(5)	-2.38
Services and Supplies	\$ 0	\$ 0	\$ (134,501)	\$ 0	\$ 0	\$ 0	\$ (134,501)		
Package 372: Administrative Costing Realignment									
Special Payments	\$ (390,967)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (390,967)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ (394,207)	\$ 0	\$ (732,102)	\$ 0	\$ 0	\$ 0	\$ (1,126,309)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	\$ 0	\$ 0	\$ (979,686)	\$ 0	\$ (874,626)	\$ 0	\$ (1,854,312)	(34)	-18.29
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ (2,161,606)	\$ 0	\$ 860,759	\$ (15,000,000)	\$ 0	\$ 0	\$ (16,300,847)	0	0.00
Special Payments	\$ 0	\$ 0	\$ 3,000,000	\$ 0	\$ 0	\$ 0	\$ 3,000,000	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	\$ (62,840)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (62,840)	0	0.00
Services and Supplies	\$ (333,091)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (333,091)	0	0.00
Capital Outlay	\$ (9,108)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (9,108)	0	0.00
Special Payments	\$ (784,143)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (784,143)	0	0.00

\*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
<u>State Forests</u>										
Package 802: Vacant Position Savings										
Personal Services	\$ 0	\$ 0	\$ (720,738)	\$ 0	\$ (621,134)	\$ 0	\$ (1,341,872)	(15)	-10.46	
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00	
<u>Private Forests</u>										
Package 090: Analyst Adjustments										
Personal Services	\$ (1,227,857)	\$ 0	\$ (1,688,403)	\$ 0	\$ 0	\$ 0	\$ (2,916,260)	(23)	-23.95	
Services and Supplies	\$ (144,997)	\$ 0	\$ (56,525)	\$ 0	\$ 0	\$ 0	\$ (201,522)	0	0.00	
Special Payments	\$ 0	\$ (700,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (700,000)	0	0.00	
Package 352: Compliance Audit Program										
Personal Services	\$ 74,887	\$ 0	\$ 49,925	\$ 0	\$ 13,819	\$ 0	\$ 138,631	1	1.00	
Services and Supplies	\$ 18,000	\$ 0	\$ 312,000	\$ 0	\$ 0	\$ 0	\$ 330,000	0	0.00	
Package 353: Effectiveness Monitoring Program										
Personal Services	\$ 443,642	\$ 0	\$ 295,757	\$ 0	\$ 0	\$ 0	\$ 739,399	6	5.66	
Services and Supplies	\$ 101,880	\$ 0	\$ 67,920	\$ 0	\$ 0	\$ 0	\$ 169,800	0	0.00	
Package 354: Field Administration of Forest Practices Act										
Personal Services	\$ 2,482,686	\$ 0	\$ 1,531,407	\$ 0	\$ (1,292,509)	\$ 0	\$ 2,721,584	10	20.05	
Services and Supplies	\$ 1,206,801	\$ 0	\$ 459,636	\$ 0	\$ 0	\$ 0	\$ 1,666,437	0	0.00	
Package 355: Forest Health Program										
Personal Services	\$ 501,970	\$ 0	\$ 16,215	\$ 0	\$ (401,595)	\$ 0	\$ 116,590	1	1.00	
Services and Supplies	\$ 356,147	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 356,147	0	0.00	
Package 372: Administrative Costing Realignment										
Special Payments	\$ 6,685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,685	0	0.00	
Package 801: Targeted Statewide Adjustments										
Services and Supplies	\$ (52,787)	\$ 0	\$ (31,688)	\$ 0	\$ 0	\$ 0	\$ (84,475)	0	0.00	
Package 802: Vacant Position Savings										
Personal Services	\$ 0	\$ 0	\$ (126,823)	\$ 0	\$ (707,126)	\$ 0	\$ (833,949)	(7)	-6.56	
Package 819: Supplemental Statewide Ending Balance										
Personal Services	\$ (106,429)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (106,429)	0	0.00	
Services and Supplies	\$ (66,170)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (66,170)	0	0.00	
Special Payments	\$ (137,712)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (137,712)	0	0.00	

Debt Service

\*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 819: Supplemental Statewide Ending Balance Debt Service	\$ (102,087)	\$ (82,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (184,087)	0	0.00
TOTAL ADJUSTMENTS	\$ <u>1,850,077</u>	\$ <u>(781,990)</u>	\$ <u>(773,392)</u>	\$ <u>(15,000,000)</u>	\$ <u>(3,576,907)</u>	\$ <u>0</u>	\$ <u>(18,282,212)</u>	<u>(64)</u>	<u>(32.32)</u>
SUBCOMMITTEE RECOMMENDATION *	\$ <u>47,951,986</u>	\$ <u>2,278,110</u>	\$ <u>198,003,424</u>	\$ <u>0</u>	\$ <u>44,287,734</u>	\$ <u>0</u>	\$ <u>292,521,254</u>	<u>1,181</u>	<u>862.32</u>
% Change from 2009-11 Leg Approved Budget	11.0%	65.8%	-7.8%	-100.0%	-4.9%	0.0%	-10.8%	-3.7%	-0.2%
% Change from 2011-13 Current Service Level	-1.3%	-3.5%	-1.8%	-100.0%	-10.1%	0.0%	-7.7%	-2.9%	-0.6%
% Change from 2011-13 Gov's Recommended Budget	4.0%	-25.6%	-0.4%	-100.0%	-7.5%	0.0%	-5.9%	-5.1%	-3.6%
<u>EMERGENCY BOARD</u>									
Special Purpose Appropriation Fire Protection Expenses	\$ <u>4,781,000</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>4,781,000</u>		

## Legislatively Approved 2011-2013 Key Performance Measures

**Agency: FORESTRY DEPARTMENT**

Mission: To serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	100.00	100.00	100.00
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	100.00	100.00	100.00
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	92.00	100.00	100.00
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	100.00	100.00	100.00
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	100.00	100.00	100.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS – Percent of Oregon’s forested counties and forest protective associations rating that ODF programs collectively provide “good” or “excellent” customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	85.00	100.00	100.00
2 - BOARD OF FORESTRY PERFORMANCE – Percent of total best practices met by the Board of Forestry.		Approved KPM	100.00	100.00	100.00
3 - FOREST PRACTICES ACT COMPLIANCE Percent of commercial forest operations that are in compliance with the Forest Practices Act		Approved KPM		100.00	100.00
4 - URBAN AND COMMUNITY FOREST MANAGEMENT – Percent of Oregon cities actively managing their urban and community forest resources.		Approved KPM	34.00	50.00	50.00
5 - STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests		Approved KPM	-11.40	1.00	1.00
6 - AIR QUALITY PROTECTION - Total number of smoke intrusions into designated areas per total number of units burned.		Approved KPM	0.00	0.00	0.00
7 a - PRIVATE FORESTLAND MANAGED AT OR ABOVE FOREST PRACTICES ACT STANDARDS. a. Acres of industrial private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans.		Approved KPM	4,721,751.00	5,000,000.00	5,000,000.00
7 b - PRIVATE FORESTLAND MANAGED AT OR ABOVE FOREST PRACTICES ACT STANDARDS. b. Acres of non-industrial private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans.		Approved KPM	853,065.00	4,700,000.00	4,700,000.00
8 a - FOREST STREAM WATER QUALITY: a. Percent of monitored stream sites associated predominately with forestland with significantly increasing trends in water quality.		Approved KPM	2.00	75.00	75.00
8 b - FOREST STREAM WATER QUALITY: b. Percent of monitored stream sites associated predominately with forestland with significantly decreasing trends in water quality.		Approved KPM	54.00	0.00	0.00

**Agency: FORESTRY DEPARTMENT**

Mission: To serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
8 c - FOREST STREAM WATER QUALITY: c. Percent of monitored stream sites associated predominately with forestland with water quality in good to excellent condition.		Approved KPM	65.00	60.00	60.00
9 - VOLUNTARY PUBLIC AND PRIVATE INVESTMENTS MADE TO CREATE HEALTHY FORESTS - Cumulative public and private forest landowner investments made in voluntary projects for the Oregon Plan for Salmon and Watersheds or for the Oregon Conservation Strategy.		Approved KPM	89.72	102.50	105.50
10 - STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.		Approved KPM	13.00	13.00	13.00
11 - FIRE SUPPRESSION EFFECTIVENESS – Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.		Approved KPM	96.83	97.00	97.00
12 - PREVENTION OF HUMAN-CAUSED WILDLAND FOREST FIRES – Number of human-caused wildland forest fires per 100,000 Oregon residents (lower is better).		Approved KPM	12.72	27.20	27.20
13 - DAMAGE TO OREGON FORESTS FROM INSECTS, DISEASES, AND OTHER AGENTS Percent of forest lands without significant damage & mortality as assessed by aerial surveys.		Approved KPM	97.00	96.00	96.00
14 - FOREST BIOMASS UTILIZATION-- Million bone-dry tons of forest biomass converted to biofuels, electricity or steam.		Approved KPM	2.05	2.18	2.25

**LFO Recommendation:**

Approve the Department's request to continue existing KPMs and related targets into the 2011-13 biennium.

**Sub-Committee Action:**

The Natural Resources Subcommittee approved the Department's request to continue existing KPMs and related targets into the 2011-13 biennium.