

**Senate Bill 5521
Department of Forestry**

Senate Bill 5521 is the budget bill for the State Forestry Department. The Department manages state forest lands, provides state and private forest land fire protection, and provides stewardship for non-federal forest lands through administration of the Forest Practices Act and provision of forestry assistance. Other Funds support roughly 70% of the Department's budget. Just over 20% of the agency's budget is derived from the General Fund and Lottery Funds. Federal Funds comprise the remaining 10% of the budget.

The Natural Resources Subcommittee recommends a total budget of \$306.4 million, and 871.72 full-time equivalent positions. The total budget is 3.5% lower than the 2011-13 legislatively approved budget, primarily due to phasing out the last of the federal stimulus grant funds. General and Lottery Funds total \$61.4 million, an 11% increase over the 2011-13 legislatively approved budget. The budget includes:

- Funding for the Wildfire Protection Act - \$1.6 million General Fund; \$6 million Other Funds.
- Lottery Fund support for the Eastern Oregon Forest Collaboration project - \$2.9 million.
- General Fund for Governor's forest advisor - \$200,000.
- An Emergency Board Special Purpose Appropriation for fire severity costs and the 2014 insurance premium - \$5 million.
- Elliott State Forest monitoring resources - \$250,000 Other Funds.
- Technical assistance and incentives for family forestland owners.
- Debt service for \$1,750,000 capital construction for an Eastern Lane warehouse replacement.
- Statewide packages for administrative reductions and PERS rate adjustments.

The Natural Resources Subcommittee recommends SB 5521 be amended and reported out do pass, as amended.

BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Unger

Carrier – Senate: Sen. Edwards

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

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Linda Gilbert, Legislative Fiscal Office

Meeting Date: June 21, 2013

Agency

Oregon Department of Forestry
Emergency Board

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 49,952,021	\$ 51,293,403	\$ 53,124,016	\$ 3,171,995	6.4%
General Fund Debt Service	\$ 2,890,593	\$ 2,760,225	\$ 2,873,589	\$ (17,004)	-0.6%
Lottery Funds	\$ 0	\$ 0	\$ 2,885,000	\$ 2,885,000	100.0%
Lottery Funds Debt Service	\$ 2,542,314	\$ 2,523,132	\$ 2,523,132	\$ (19,182)	-0.8%
Other Funds	\$ 211,976,507	\$ 203,977,553	\$ 208,204,617	\$ (3,771,890)	-1.8%
Other Funds Capital Improvements	\$ 4,213,650	\$ 4,314,778	\$ 4,314,778	\$ 101,128	2.4%
Other Funds Debt Service	\$ 1,665,510	\$ 1,547,079	\$ 1,694,322	\$ 28,812	1.7%
Federal Funds	\$ 44,278,675	\$ 30,433,489	\$ 30,869,067	\$ (13,409,608)	-30.3%
Total	\$ 317,519,270	\$ 296,849,659	\$ 306,488,521	\$ (11,030,749)	-3.5%

Position Summary

Authorized Positions	1,181	1,179	1,200	19
Full-time Equivalent (FTE) positions	852.19	859.59	871.72	19.53

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Emergency Board

General Fund Special Purpose Appropriation

Fire protection expenses	\$ 0	\$ 0	\$ 5,000,000	\$ 5,000,000	100%
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Summary of Revenue Changes

The State Forestry Department is funded with General Fund, Lottery Funds, Other Funds, and Federal Funds. Lottery Funds support debt service and one-time funding for work with the federal government in Eastern Oregon. 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 2051, which would set the Forest Products Harvest Tax rates for calendar years 2013 and 2015. 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 Natural Resources 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 \$306,488,521 and 1,200 positions (871.72 FTE) and the establishment of a \$5,000,000 special purpose appropriation in the Emergency Fund for fire protection purposes. The total funds budget is a 3.5 percent decrease from the 2011-13 Legislatively Approved Budget through December 2012. It is a 3.2 percent increase from the 2013-15 current service level. The budget includes \$55,997,605 General Fund and \$5,408,132 non-dedicated Lottery Funds.

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 \$30,912,195 total funds and 96 positions (95.48 FTE).

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 482: Information Technology Support Capacity was approved. This package establishes four permanent positions (3.63 FTE) and provides \$732,911 Other Funds expenditure limitation to support the ongoing Forest Business Improvement Initiative, planned information technology projects, and ongoing support required to maintain these systems.

The Subcommittee approved Package 485: Agency Admin Capacity & Technical Adjustments. This package provides \$397,030 total funds expenditure limitation and two positions (1.95 FTE) as part of an effort to correct position funding sources, classifications, and full-time/part-time status. The package accomplishes this by shifting positions and related expenditure limitation to Agency Administration from Fire Protection and from Facilities Maintenance & Management.

Package 487: Forest Collaborative Support was approved; this package provides \$200,000 General Fund for a contract for professional services to assist the state in seeking solutions to forest health and economic problems.

The Subcommittee approved package 810: LFO Analyst Adjustments. This package provides \$318,780 total funds expenditure limitation to correctly allocate price list adjustments for state government service charges and to carry over \$400,000 unspent Other Funds expenditure limitation to complete a technology project begun in the 2007-09 biennium.

Package 811: Eastern Oregon Forest Collaboration was approved; this package provides \$2,885,000 one-time discretionary Lottery Fund for forest management efforts. The package includes two elements: first, \$1 million for technical and science support needed to increase the pace and scale of collaboratively developed forest management efforts and second, \$1.885 million to build and pilot a new business model for federal forest management projects in the US Forest Service Blue Mountain Restoration Strategy area. The Strategy area includes the Wallowa-Whitman, Umatilla, Ochoco and Malheur national forests. Funding for these projects is contingent on US Forest Service Investment. Contracts will be awarded and administered by the Department of Forestry.

Fire Protection

The Fire Protection 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 total funds budget of \$117,654,597 and 693 positions (394.73 FTE).

Package 081: May 2012 Emergency Board was approved. This package has no overall budget impact; it merely shifts \$111,214 General Fund from one type of special payment to another.

Package 090: Analyst Adjustments was approved; this package reduces total funds expenditure limitation by \$722,011 for two reasons. First, the administrative pro-rate charge is reduced by \$722,011. Second, there is a \$483,798 General Fund increase and an Other Funds expenditure

limitation decrease of the same amount to reflect an increase in private land ownership acreage from 75 percent to 77 percent. These two actions result in a net \$238,213 General Fund decrease and a \$483,798 Other Funds decrease.

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 410: Wildfire Protection Funding Act was approved; this package provides \$7,598,418 total funds and 10 positions (3.33 FTE) to implement the first phase of a plan intended to decrease large fires by shifting the funding of severity (initial attack) resources, shifting the funding mix for large fires, and reducing the per-acre rates paid by owners of land with low productivity. This package provides a \$1,599,469 General Fund appropriation and \$5,998,949 Other Funds expenditure limitation for the first phase. In future biennia General Fund support will increase to \$9,600,000 per biennium. Other Funds revenues for the package come from the Oregon Forest Lands Protection Fund, which is funded through landowner assessments.

The Subcommittee recommended package 412: Fire Investigation. This package provides \$145,233 total funds expenditure limitation and one position (0.88 FTE) to add limited capacity to investigate and collect revenue from cost collectible fires. Funding for the package comes from landowner assessments and federal contract agreements.

Package 482: Information Technology Support Capacity was approved; this package adds \$283,532 General Fund to provide more administrative pro-rate revenue in Agency Administration. The additional revenue will permanently support the Forest Business Improvement Initiative, which has future projects identified and will provide ongoing support to maintain these systems.

The Subcommittee recommended package 485: Agency Admin Capacity & Technical Adjustments. This package provides \$26,511 total funds expenditures and eliminates one position (1.00 FTE). It adds \$176,900 General Fund, which is offset with a \$150,389 Other Funds expenditure limitation reduction. The package moves a position from the Fire Protection program to Agency Administration.

Package 810: LFO Analyst Adjustments was approved; this package provides \$10,039 total funds expenditure limitation to correctly allocate price list adjustments for state government service charges. It includes a \$20,477 General Fund reduction.

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 total funds budget of \$15,279,530 and 29 positions (29.73 FTE).

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 810: LFO Analyst Adjustments was approved; this package provides \$3,149 Other Funds expenditure limitation to correctly allocate price list adjustments for state government service charges.

State Forests

The State Forestlands 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 total funds budget of \$89,969,071 and 268 positions (241.99 FTE).

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 486: Elliott State Forest Monitoring was approved; this package provides \$250,000 Other Funds expenditure limitation to meet statutory requirements for forest research and monitoring on the Elliot State Forest and to support continued participation in Research Cooperatives, which conduct multi-agency, adaptive management, watershed-scale research projects. Funding for the package comes from net harvest proceeds from the Elliot State Forest. This forest is an asset of the Common School Fund, which is administered by the State Land Board. Litigation is expected to keep harvests minimal, resulting in a maximum amount of \$250,000 for this package. If additional revenue becomes available or diminishes further, the agency can request additional expenditure limitation or tighten the timing of the study.

Package 810: LFO Analyst Adjustments was approved; this package provides \$25,146 total funds expenditure limitation to correctly allocate price list adjustments for state government service charges.

Private Forests

The Private Forests program 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 total funds budget of \$36,147,753 and 114 positions (109.79 FTE).

The Subcommittee recommended Package 090: Analyst Adjustments. This package increases General Fund appropriation by \$12,624 in Private Forests, reduces General Fund in Fire Protection, and reduces Other Funds expenditure limitation in Agency Administration to correct intra-agency transfers (special payments) from Private Forests and Fire Protection to Agency Administration based on the share of private forest land increasing from 75 percent to 77 percent.

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by

approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 452: Integrated Effectiveness Monitoring was approved; this package provides total funds of \$446,611 and one position (0.88 FTE) to support research under the Watersheds Research Cooperative and Riparian Function and Stream Temperature project. The package includes \$387,966 General Fund; \$300,000 of this amount will go to Oregon State University for the Trask Project. The position is expected to start October 1, 2013.

The Subcommittee recommended package 453: Forest Practices Act Administration. This package provides \$675,095 Federal Funds expenditure limitation and five positions (3.41 FTE) to provide one-on-one technical assistance and incentives to family forestland owners, primarily in urban and wildland-urban interface areas. These efforts help implement the Oregon Plan for Salmon and Watersheds and the Forest Practices Act. Funding for the package comes from the US Department of Agriculture's Natural Resources Conservation Service.

Package 482: Information Technology Support Capacity was approved; this package adds \$57,929 General Fund to correctly allocate support for package 482 in Agency Administration. Previously it was allocated to the Fire Protection program.

The Subcommittee recommended package 485: Agency Admin Capacity & Technical Adjustments. This package provides \$36,143 General Fund to correctly allocate support for package 485 in Agency Administration. Previously it was allocated to the Fire Protection program.

Package 810: LFO Analyst Adjustments was approved; this package provides \$4,945 total funds expenditure limitation to correctly allocate price list adjustments for state government service charges.

Facilities Maintenance & Management

This program is solely focused on facilities maintenance activities. The Subcommittee approved a total funds budget of \$5,119,554 and no positions or FTE.

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 485: Agency Admin Capacity & Technical Adjustments was approved; this package reduces Other Funds expenditure limitation by \$219,668 and eliminates one position (0.95 FTE). The package moves a position from this program into Agency Administration to better align funding and positions with the actual work performed.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package provides \$101 Other Funds expenditure limitation to correctly allocate price list adjustments for state government service charges.

Debt Service

This program unit contains the agency's debt service obligations. The Subcommittee approved a budget of \$7,091,043 total funds and no positions or FTE.

Package 431: Acquisition of Gilchrist State Forest Lands in the Capital Construction program is recommended but because the bond sales will occur in the spring of 2015, no additional debt service is needed for the 2013-15 biennium. The additional debt service will appear in the 2015-17 biennium budget.

The Subcommittee recommended Package 481: Eastern Lane Redevelopment Project. This package provides total funds expenditures of \$260,607 to pay debt service on Article XI-Q bonds; proceeds of \$1,750,000 will be used to replace a structurally compromised and unsafe warehouse that serves the operational needs of the Fire Protection program as well as other department programs. The package includes \$113,364 General Fund.

Capital Improvement

This program maintains 400 structures statewide, many of which were built over 40 years ago. The Subcommittee approved a budget of \$4,314,778 Other Funds expenditure limitation and no positions or FTE.

Capital Construction

This program unit contains expenditures for acquisitions or construction projects that use bond proceeds as financing. The Subcommittee recommended \$9,350,000 Other Funds and no positions or FTE.

Package 431: Acquisition of Gilchrist State Forest Lands was recommended; this package provides \$7,600,000 Other Funds expenditure limitation to purchase lands to add to the Gilchrist State Forest. The funding for the package is lottery revenue bond proceeds included in Senate Bill 5533. The bonds will not be sold until the spring of 2015.

The Subcommittee recommended Package 481: Eastern Lane Redevelopment Project for inclusion in Senate bill 5506, which provides expenditure limitation for capital construction project. Including the package in Senate Bill 5506 would provide \$1,750,000 in bond proceeds to replace a structurally compromised and unsafe warehouse that serves the operational needs of the Fire Protection program as well as other department programs. The recommended amount is less than the original request of \$2,500,000 because the project has been re-scoped to focus on core issues.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5521-A

Oregon Department of Forestry
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 52,842,614	\$ 2,542,314	\$ 217,855,667	\$ 0	\$ 44,278,675	\$ 0	\$ 317,519,270	1,181	852.19
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 54,053,628	\$ 2,523,132	\$ 209,839,410	\$ 0	\$ 30,433,489	\$ 0	\$ 296,849,659	1,179	859.59
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
008 - Agency Administration									
Package 091: Statewide Administrative Savings									
Services and Supplies	\$ 0	\$ 0	\$ (160,004)	\$ 0	\$ (19,930)	\$ 0	\$ (179,934)		
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (42,330)	\$ 0	\$ (4,350)	\$ 0	\$ (46,680)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (339,299)	\$ 0	\$ (34,865)	\$ 0	\$ (374,164)	0	0.00
Package 482: Information Technology Support									
Capacity									
Personal Services	\$ 0	\$ 0	\$ 612,869	\$ 0	\$ 0	\$ 0	\$ 612,869	4	3.63
Services and Supplies	\$ 0	\$ 0	\$ 104,042	\$ 0	\$ 0	\$ 0	\$ 104,042		
Capital Outlay	\$ 0	\$ 0	\$ 16,000	\$ 0	\$ 0	\$ 0	\$ 16,000		
Package 485: Agency Admin Capacity & Technical									
Adjustments									
Personal Services	\$ 0	\$ 0	\$ 457,276	\$ 0	\$ (60,246)	\$ 0	\$ 397,030	2	1.95
Package 487: Forest Collaborative Support									
Services and Supplies	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000		
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ 317,881	\$ 0	\$ 899	\$ 0	\$ 318,780		
Package 811: Eastern Oregon Forest Collaboration									
Services and Supplies	\$ 0	\$ 2,885,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,885,000		
010 - Fire Protection									
Package 081: May 2012 Emergency Board									
Special Payments account 6060	\$ (111,214)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (111,214)		
Special Payments account 6090	\$ 111,214	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 111,214		

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 090: Analyst Adjustments									
Special Payments account 6060	\$ (238,213)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (238,213)		
Special Payments account 6085	\$ 0	\$ 0	\$ (483,798)	\$ 0	\$ 0	\$ 0	\$ (483,798)		
Package 091: Stawie ide Administrative Savings Services and Supplies	\$ (55,800)	\$ 0	\$ (135,413)	\$ 0	\$ (7,716)	\$ 0	\$ (198,929)		
Package 092: PERS Taxation Policy Personal Services	\$ (40,986)	\$ 0	\$ (98,728)	\$ 0	\$ (10,259)	\$ 0	\$ (149,973)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ (328,527)	\$ 0	\$ (791,367)	\$ 0	\$ (82,232)	\$ 0	\$ (1,202,126)	0	0.00
Package 410: Wildfire Protection Funding Act Personal Services	\$ 129,753	\$ 0	\$ 256,879	\$ 0	\$ 0	\$ 0	\$ 386,632	10	3.33
Services and Supplies	\$ 1,469,716	\$ 0	\$ 5,742,070	\$ 0	\$ 0	\$ 0	\$ 7,211,786		
Package 412: Fire Investigation Personal Services	\$ 0	\$ 0	\$ 80,725	\$ 0	\$ 40,484	\$ 0	\$ 121,209	1	0.88
Services and Supplies	\$ 0	\$ 0	\$ 16,000	\$ 0	\$ 8,024	\$ 0	\$ 24,024		
Package 482: Information Technology Support Capacity Special Payments account 6060	\$ 283,532	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 283,532		
Package 485: Agency Admin Capacity & Technical Adjustments Personal Services	\$ 0	\$ 0	\$ (150,389)	\$ 0	\$ 0	\$ 0	\$ (150,389)	-1	-1.00
Special Payments account 6060	\$ 176,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 176,900		
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 10,943	\$ 0	\$ 27,670	\$ 0	\$ 2,846	\$ 0	\$ 41,459		
Special Payments account 6060	\$ (31,420)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (31,420)		
020 - Equipment Pool									
Package 091: Stawie ide Administrative Savings Services and Supplies	\$ 0	\$ 0	\$ (13,752)	\$ 0	\$ 0	\$ 0	\$ (13,752)		
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (12,538)	\$ 0	\$ 0	\$ 0	\$ (12,538)	0	0.00

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

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Oregon Department of Forestry
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (100,503)	\$ 0	\$ 0	\$ 0	\$ (100,503)	0	0.00
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ 3,149	\$ 0	\$ 0	\$ 0	\$ 3,149		
030 - State Forests									
Package 091: Statewide Administrative Savings Services and Supplies	\$ 0	\$ 0	\$ (137,891)	\$ 0	\$ 0	\$ 0	\$ (137,891)		
Package 092: PERS Taxation Policy Personal Services	\$ 0	\$ 0	\$ (98,662)	\$ 0	\$ 0	\$ 0	\$ (98,662)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ 0	\$ 0	\$ (790,834)	\$ 0	\$ 0	\$ 0	\$ (790,834)	0	0.00
Package 486: Elliott State Forest Monitoring Services and Supplies	\$ 0	\$ 0	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 250,000		
Package 810: LFO Analyst Adjustments Services and Supplies	\$ 0	\$ 0	\$ 25,146	\$ 0	\$ 0	\$ 0	\$ 25,146		
050 - Private Forests									
Package 090: Analyst Adjustments Special Payments account 6060	\$ 12,624	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,624		
Package 091: Statewide Administrative Savings Services and Supplies	\$ (28,100)	\$ 0	\$ (29,127)	\$ 0	\$ (8,855)	\$ 0	\$ (66,082)		
Package 092: PERS Taxation Policy Personal Services	\$ (23,462)	\$ 0	\$ (15,339)	\$ 0	\$ (7,174)	\$ 0	\$ (45,975)	0	0.00
Package 093: Other PERS Adjustments Personal Services	\$ (188,064)	\$ 0	\$ (122,948)	\$ 0	\$ (57,504)	\$ 0	\$ (368,516)	0	0.00
Package 452: Integrated Effectiveness Monitoring Personal Services	\$ 81,045	\$ 0	\$ 54,031	\$ 0	\$ 0	\$ 0	\$ 135,076	1	0.88
Services and Supplies	\$ 6,921	\$ 0	\$ 4,614	\$ 0	\$ 0	\$ 0	\$ 11,535		
Special Payments account 6580	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5521-A

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Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 453: Forest Practices Act Administration									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 471,787	\$ 0	\$ 471,787	5	3.41
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 113,308	\$ 0	\$ 113,308		
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 90,000	\$ 0	\$ 90,000		
Package 482: Information Technology Support Capacity									
Special Payments account 6060	\$ 57,929	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 57,929		
Package 485: Agency Admin Capacity & Technical Adjustments									
Special Payments account 6060	\$ 36,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,143		
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ (321)	\$ 0	\$ 3,905	\$ 0	\$ 1,361	\$ 0	\$ 4,945		
070 - Facilities Maintenance & Management									
Package 091: Statewide Administrative Savings									
Services and Supplies	\$ 0	\$ 0	\$ (2,704)	\$ 0	\$ 0	\$ 0	\$ (2,704)		
Package 485: Agency Admin Capacity & Technical Adjustments									
Personal Services	\$ 0	\$ 0	\$ (219,668)	\$ 0	\$ 0	\$ 0	\$ (219,668)	-1	-0.95
Package 810: LFO Analyst Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ 101	\$ 0	\$ 0	\$ 0	\$ 101		
085 - Debt Service									
Package 481: Eastern Lane Redevelopment Project									
Debt Service	\$ 113,364	\$ 0	\$ 147,243	\$ 0	\$ 0	\$ 0	\$ 260,607		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5521-A

Oregon Department of Forestry
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
089 - Capital Construction									
See Senate Bill 5533 and Senate Bill 5507 for Packages 431 and 481									
TOTAL ADJUSTMENTS	\$ 1,943,977	\$ 2,885,000	\$ 4,374,307	\$ 0	\$ 435,578	\$ 0	\$ 9,638,862	21	12.13
SUBCOMMITTEE RECOMMENDATION *	\$ 55,997,605	\$ 5,408,132	\$ 214,213,717	\$ 0	\$ 30,869,067	\$ 0	\$ 306,488,521	1,200	871.72
% Change from 2011-13 Leg Approved Budget	6.0%	112.7%	-1.7%	0.0%	-30.3%	0.0%	-3.5%		
% Change from 2013-15 Current Service Level	3.6%	114.3%	2.1%	0.0%	1.4%	0.0%	3.2%		
EMERGENCY BOARD									
Special Purpose Appropriation									
Fire Protection Expenses	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000,000		

Legislatively Approved 2013-2015 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 2014	Target 2015
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	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.	Helpfulness	Approved KPM	93.00	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

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 2014	Target 2015
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	100.00	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	35.00	50.00	50.00
5 - STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests		Approved KPM	-10.80	2.00	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	3,891,863.00	6,000,000.00	6,000,000.00
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	842,817.00	920,969.00	948,598.00
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	0.04	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	16.00	30.00	30.00

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 2014	Target 2015
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	64.00	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	93.71	105.50	105.50
10 - STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.		Approved KPM	13.00	30.00	30.00
11 - FIRE SUPPRESSION EFFECTIVENESS – Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.		Approved KPM	94.84	98.00	98.00
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	13.95	14.00	14.00
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	96.10	97.00	97.00
14 - FOREST BIOMASS UTILIZATION-- Million bone-dry tons of forest biomass converted to biofuels, electricity or steam.		Approved KPM	1.61	1.80	1.82

LFO Recommendation:

LFO recommends approval of the agency proposed KPMs and targets with the following modifications:

KPM #5 State Forests Total Revenue - Revenue projections in state forest lands are increasing by 13.2% over the 2011-13 legislatively approved budget based on planned timber sales. LFO would expect that the target result for 2012 and 2013 would increase over 2011 by at least 3% per year to achieve the projected revenue forecast and then 1% per year or more after that.

KPM #7b Private Forestland Managed at or above Forest Practices Act Standards - Previous target was established at the "ideal" number of acres which is the total number of nonindustrial acres in Oregon, 4.7 million. Since the agency relies wholly on the availability of federal grants to provide the technical assistance necessary to improve the measure and actual history indicates about a 3% increase per year, LFO recommends the target be established at 3% increase improvement per year.

KPM #8b Forest Stream Water Quality - Target set at zero is too low; targets for 2013-15 biennium should be established at 30% to reflect actual data. Future targets may need to be adjusted as actual data is recorded.

KPM #12 Prevention of human caused Wildland Forest – Based on actual data, the target is too high and should be lowered to 14% from 27.5%.

KPM #14 Forest Biomass Utilization – Reset targets to align with actual data.

Sub-Committee Action:

The Subcommittee approved the LFO recommendation.

**PROPOSED AMENDMENTS TO
SENATE BILL 5521**

1 On page 1 of the printed bill, line 8, delete “\$400,000” and insert
2 “\$200,000”.

3 In line 9, delete “\$38,278,405” and insert “\$38,599,721”.

4 In line 10, delete “\$14,242,176” and insert “\$14,324,295”.

5 In line 11, delete “\$2,909,396” and insert “\$2,873,589”.

6 In line 18, delete “\$24,805,784” and insert “\$25,707,214”.

7 In line 19, delete “\$63,998,959” and insert “\$63,321,292”.

8 In line 20, delete “\$89,354,243” and insert “\$89,129,389”.

9 In line 21, delete “\$9,651,487” and insert “\$9,647,638”.

10 In line 23, delete “\$1,772,146” and insert “\$1,694,322”.

11 In line 24, delete “\$15,276,381” and insert “\$15,279,530”.

12 In line 26, delete “\$5,099,111” and insert “\$5,119,554”.

13 On page 2, line 1, delete “\$3,319,996” and insert “\$2,523,132”.

14 In line 9, delete “\$2,104,391” and insert “\$2,119,981”.

15 In line 10, delete “\$15,682,230” and insert “\$15,733,584”.

16 In line 12, delete “\$12,174,459” and insert “\$12,175,820”.

17 After line 12, insert:

18 **“SECTION 5. (1) In addition to and not in lieu of any other appro-**
19 **priation, there is appropriated to the Emergency Board, for the**
20 **biennium beginning July 1, 2013, out of the General Fund, the amount**
21 **of \$5,000,000, to be allocated to the State Forestry Department for fire**
22 **protection expenses.**

1 “(2) If any of the moneys appropriated by subsection (1) of this
2 section are not allocated by the Emergency Board prior to December
3 1, 2014, the moneys remaining on that date become available for any
4 purpose for which the Emergency Board lawfully may allocate funds.

5 “SECTION 6. Notwithstanding any other law limiting expenditures,
6 the amount of \$2,885,000 is established for the biennium beginning July
7 1, 2013, as the maximum limit for payment of expenses from lottery
8 moneys allocated from the Administrative Services Economic Devel-
9 opment Fund to the State Forestry Department, for Eastern Oregon
10 Forest Collaboration.”.

11 In line 13, delete “5” and insert “7”.

12
