

2015-2017 Governor’s Budget for a Healthy Environment & Strong Rural Economy
Initiative #1: Working Forests and Farms

Land Use	Washington		Oregon	
	Acres	Percent	Acres	Percent
Wildland forest	-235,000	-1.8%	-27,000	-0.3%
Intensive agriculture	- 90,000	-1.0%	-38,000	-0.7%
Wildland range	- 90,000	-1.5%	-43,000	-0.5%
Mixed uses: forest/ag/range	- 49,000	-9.1%	6,000	0.4
Low-density residential	303,000	16.5%	42,000	3.6
Urban	159,000	20.5%	60,000	12.2
Other	2,000	0.8%	0	0
Net Shift to Developed Uses	-464,000	-1.6%	-102,000	-0.4%

*WA: 12 year period, 94-06; Oregon 11-year period, 94-05

Problem: Although Oregon has avoided large-scale loss of working forests and farms, these lands are increasingly threatened by generational change in ownership and management, climate change, water resources issues, and lack of access to capital. These threats to working lands also put our environment at risk. Oregon’s working lands provide clean drinking water, wildlife habitat, and resilient landscapes in the face of climate change.

Solution: The Governor’s Budget and legislative proposals contain new tools and investments to sustain working forests and farms, strengthen rural communities, and improve our environment.

- ❖ **New financing tools to support working forests and farms. SB 204 authorizes and HB 5030 capitalizes three new finance tools for working lands:**
 - Loan guarantees for working forests and farms -- providing access to private capital to refinance or acquire lands that will remain in an active working status;
 - A revolving loan fund to support working farms and forests where they also provide ecological benefits; and
 - A conservation fund – providing equity to those acquiring working lands so that timber and/or agriculture uses are maintained while conservation benefits also are achieved.
- ❖ **Policy tools to support working forests and farms.**
 - Bolster existing voluntary programs for willing owners to transfer development rights from working farms and forests, minimizing conflicts and protecting existing investments.
 - Complete work analyzing trends in working lands, identifying the most serious threats to continued farming and forestry in Oregon, and develop further policy initiatives as needed.
 - Invest in innovation in added-value agriculture and forestry products.
- ❖ **Management reforms on federal and state lands to improve forest health, manage fire costs, and generate returns for communities.**
 - Complete management reform of the O&C and National Forest lands.
 - Complete management reforms for state forests.
 - Resolve long-term ownership and management of the Elliott State Forest.
 - Expand support for forest collaboratives on federal lands and associated mill and community infrastructure.
- ❖ **Heal landscapes stressed by poor resource allocation decisions and protect those at risk, including the Klamath basin, sagebrush steppe, and coastal Coho habitat.**
 - Continue implementation of the Klamath basin agreements (SB 264 and SB 265).
 - Complete and implement Oregon’s All Lands–All Threats Program for Sage Grouse, including investing in fire and invasive weed treatment (HB 2401), and maintaining the Invasive Species Council (SB 209).
 - Complete final recovery planning for coastal Coho, including clear steps to de-listing.

Governor's Balanced Budget: 2015-17 Investments in Working Forests and Farms					
Agency Package	Package Description	Funding	Positions	Funding Source	Related Bill #
Forest and Watershed Health and Rural Economies					
ODF-185	Federal Forest Collaboratives – Expand investment to increase federal forest management pace and scale, reduce wildfire risk, enhance ecological and recreational values and supply wood products.	6,050,000	4	LF	
ODF-152	Increase Sustainable Use of Biomass – Advance biomass use, market development, and develop monitoring and information resources.	1,108,450	1	GF	
OWRD - 101	Klamath Coordination and Water Management – Klamath Implementation Coordinator, and support for water rights management.	427,133	2	GF	SB 206
OWRD – 104	Data and Water Management in the Klamath Basin – Hydrotech to monitor water conditions in the basin in order to manage water.	191,822	1	GF	
ODF-131-133	State Forest Support – Recreation, education, interpretation and monitoring activities; improvements to South Fork inmate work camp.	2,800,000	0	GF	
SageCon					
ODF – 120	Sage Grouse-Fire Package-Rural Fire Protection Association Support – Support for Rangeland Fire Protection Associations.	1,659,130	0	GF	
ODA-390	Sage Grouse-Invasives and Juniper – Incentive payments to landowners for weed and juniper control.	500,000	0	GF	
ODFW – 130	SageCon-Coordination of All-Lands Mitigation Program – Coordinator to lead completion of mitigation framework.	350,000	1	GF	HB 2401
ODFW - 105	Sage Grouse Initiative – Conservation practices to alleviate threats to sage grouse while improving sustainability of working ranches.	90,000	2	GF	
ODFW - 132	Pre- and Post-Wildfire Resilience – Funding to implement pre-fire actions that improve resilience of sagebrush habitat to wildfire, and promote effective recovery of habitat post-fire, improving health of rangeland and Sage Grouse habitat.	1,350,000	1	GF	
ODA-320	Oregon Invasive Species Council (Sage Grouse) - Improves Oregon's overall response to invasive species including restoration and protection of Sage Grouse habitat.	100,000	0	GF	SB 209
DLCD - 108	Sage Grouse-Local Grants and Statewide Coordinator – Coordinate Oregon's All-Lands Sage Grouse Program. Local grants for implementation of county Sage Grouse programs.	438,000	1		
Working Lands Finance Program					
ODF - 502	Working Lands Finance Coordinator	300,000	0	GF	SB 204
DLCD - 502	Working Forests and Farms TDR Program Implementation	275,000	1	GF	
Working Forests and Farms Finance (Loan Guarantees, Loans, Grants)					
Bus. Oregon - 502 OWEB - 502	<ul style="list-style-type: none"> Loan Guarantee - \$5 million (Lottery Bonds) Revolving Loan Fund – \$10 million (Lottery Bonds) Acquisition Fund - \$15 million (OWEB) (Lottery and G.O. Bonds) 	30,000,000	0	Lott.Bonds G.O. Bonds	HB 5030

Total Forest and Watershed Health and Rural Economies: \$10,577,405
Total SageCon: \$ 4,487,130
Total Working Forests and Farms Finance GF/LF: \$ 575,000
Total Working Forests and Farms Finance: \$30,000,000
Total Investment: \$45,639,535