



College of Forestry Office of the Dean
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March 30, 2015

Honorable Phil Barnhart, Chair
House Committee on Revenue
Oregon State Capitol
Salem, OR 97301

RE: House Bill 2455

Dear Chair Barnhart and Members of the Committee:

As Dean of the College of Forestry at Oregon State University, I appreciate the opportunity to offer this testimony in support of HB 2455 to renew the Forest Products Harvest Tax rate and to establish the tax rate that will support both the Oregon Forest Research Laboratory at Oregon State University and specific functions of the Oregon Department of Forestry for the 2015/2017 budget biennium.

Overview of Research Funded at OSU by the Harvest Tax

The Oregon Forest Research Lab at Oregon State University is Oregon's primary source for conducting and distributing scientific, technical, social, and economic analyses of forest resource issues. Our researchers work on nearly every aspect of forestry and related renewable materials, including tree genetics, forest soils, tree growth, forest watersheds, water quality, forest wildlife, forests and climate, forest management, forest recreation, timber harvesting and transportation, wood products manufacturing, wood products engineering, high-tech wood-based composites, uses for wood products in green buildings, bio-based renewable energy, forest policy and economics, and the human dimensions of forest resources.

All of these fields are fundamental to the mission of the College of Forestry at Oregon State University, and would not be possible without the contribution of Harvest Tax dollars that will flow to the College from this legislation. The Oregon Forest Research Lab is Oregon's research and development enterprise focused on forest resources, and is completely integrated with the College's teaching and outreach missions. Those three missions – teaching, research, and outreach – are how we meet our Land-Grant responsibilities to serve all Oregonians, both urban and rural.

I hear again and again just how important this work is to Oregon's timber and wood products industry, state and federal land managers, small landowners, and those who care deeply about healthy working landscapes in our state. We collaborate with all these interests to deliver knowledge and information on a range of issues vital to sustaining the competitiveness of this important sector of Oregon's economy in the context of growing ecological and social constraints and pressures.

Harvest Tax Dollars Secure Substantial Matching Funds Supporting the College of Forestry

We are thankful for the timber industry's contribution of the Harvest Tax to Oregonians because it provides a foundation upon which we build funding support that is essential to ensuring that the

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College of Forestry can deliver the research and education programs I have described without relying entirely on general fund appropriations. Historically, in each biennium, the collective interests work with the Legislature to attempt to set a Harvest Tax rate so that the tax revenue collected in the next biennium will match a general fund appropriation dollar for dollar. Because harvest levels fluctuate, the match is usually close, but not exact. In the current 2013 to 2015 budget biennium, 14.8% of the Oregon Forest Research Lab budget comes from general funds appropriation, and 15.3 % comes from Harvest Tax dollars authorized based on projected harvest volumes. The remainder of our budget then comes from multiple funding sources such as private donations, grants, and contracted work by our faculty. (See attachment to this testimony.)

Stated a different way, in each and every biennium since the inception of the Harvest Tax, the general fund dollars allocated to the College are first matched by the Harvest Tax contribution from industry, and then from other external fund sources that the College is able to secure. In the current biennium, that has meant general fund appropriations have been matched at a ratio of nearly 6 to 1 because of the addition of Harvest Tax dollars. The combination of general funds and Harvest Tax dollars together has been matched by our College's external research funds at a ratio of over 2 to 1. This leverage is possible only because of this unique funding partnership that has been put in place in cooperation with the Legislature, Oregon's timber industry, and the Oregon Department of Forestry.

Expression of Support for HB 2455

The Oregon State University College of Forestry and Forest Research Lab support HB 2455 and welcome the opportunity to work with the Legislative Assembly as the revenue and budget processes move forward. We also concur with the suggestion of the Oregon Department of Forestry that rates not yet be inserted into the bill until later in the legislative session.

I will be pleased to answer any questions that may arise as this legislation is considered. Please feel free to contact me at any time.

Sincerely,



Thomas Maness
Cheryl Ramberg-Ford and Allyn C. Ford Dean

Attachment 1

Cc: Jock Mills, Director, OSU Government Relations
Doug Decker, State Forester
Christine Broniak, Economist, LRO

Attachment 1: Distribution of Oregon Forest Research Laboratory Expenditures in FY13-15 by Funding Source

