



Oregon

Kate Brown, Governor

Department of Forestry

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"STEWARDSHIP IN FORESTRY"

April 14, 2015

The Honorable Richard Devlin, Co-Chair
The Honorable Dan Rayfield, Co-Chair
Joint Committee on Ways and Means, Subcommittee on Natural Resources
State Capitol
Salem, OR 97310

RE: HB 5019 – Responses to questions raised during April 13, 2015, testimony

Dear Co-Chairs Devlin and Rayfield, and members of the subcommittee:

The Department of Forestry appreciates the opportunity to share our budget presentation with the subcommittee, and to answer your specific questions. This letter contains information in response to questions raised during our April 13 testimony.

Collection of firefighting costs

ORS 477.365 requires the Department to investigate all fires to determine the cause. The Department is also required to pursue firefighting cost collection from responsible parties in specific circumstances, including a landowner's or operator's willful, malicious or negligent action leading to the start or spread of a fire.

Since 2005, the Department has pursued cost collection on 766 cases, and has recovered some or all of the firefighting costs in 541 of the cases, or 71 percent. The total billed in the last ten years is approximately \$26.5 million, of which the Department has collected approximately \$11.6 million, or 44 percent.

There are several reasons the Department, in consultation with the Department of Justice, would discontinue pursuing a cost collection case. Two of the primary reasons are inability to locate the responsible party, or that party's lack of funds to pay the costs.

The Department currently has 63 open cost collection cases, with the oldest case dating to 2008.

State Forests Division budget, timber sale revenues

The State Forests Division's estimated 2015-17 timber sales revenues from the Board of Forestry lands is \$64.8 million while the Governor's Budget is \$92.3 million. A question was asked about why the proposed expenditures were more than the available revenues.

- The Governor's budget includes an additional \$41 million in revenues besides the \$64.8 million mentioned above. The \$41 million is pass-through dollars to pay contractors for project costs like road construction that are necessary for new timber sales. These revenues are expended prior to distribution to counties and tracked separately.
- The Governor's Budget consists of \$106.5 million in available revenues and \$92.3 million in expenditures.

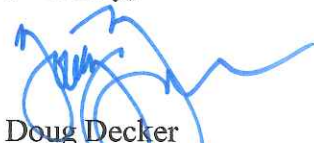
The subcommittee also requested timber sale revenue amounts by forest. During 2015-17, the Department projects \$178 million in revenue from planned timber sales on Board of Forestry lands. The revenue projection on Common School Fund lands managed by the Department is \$9.5 million.

Looking more closely at the Board of Forestry revenue, most is expected from Clatsop and Tillamook Forests (\$146.2 million). This comes from the Tillamook (\$27 million), Astoria (\$63.4 million) and Forest Grove (\$55.8 million) districts. Additional revenue will be generated on forests or scattered parcels managed by the following Department districts—North Cascades, where the Santiam State Forest is located: \$16.6 million; West Oregon: \$6 million; Western Lane: \$3.9 million; Coos, where the Elliott State Forest is located: \$0.2 million; Southwest Oregon: \$0.6 million; and Klamath-Lake, where the Gilchrist and Sun Pass State Forests are located: \$5 million.

63.75 percent of timber sale revenue from Board of Forestry lands goes to the counties in which the harvest occurs, and the remaining 36.25 percent flows to the Forest Development Fund, the State Forests Division's operational fund.

Again, the Department appreciates the opportunity for dialog with the subcommittee, through our prepared testimony and by answering specific questions that arise. We look forward to continuing the conversation.

Sincerely,



Doug Decker
Oregon State Forester

c: Nancy Hirsch, Deputy State Forester
Richard Whitman, Governor's Natural Resources Policy Director
ODF Executive Team