



Oregon

Kate Brown, Governor

Department of Forestry

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April 16th, 2015

Honorable Brian Clem, Chair
House Committee On Rural Communities, Land Use, and Water
Room H 284, State Capitol
900 Court St. NE
Salem, OR 97301



Re: House Bill 3474 – Relating to State Trust Lands

Dear Chair Clem and Members of the Committee:

For the record I am Nancy Hirsch, Deputy State Forester for the Oregon Department of Forestry.

The Department of State Lands (DSL) currently owns about 122,000 acres of forest lands for the purpose of generating the maximum benefit for the Common School Fund (CSF). DSL contracts with the Oregon Department of Forestry (ODF) to utilize effective and responsible management of working forest lands to provide a stable funding source to the CSF. Historically, this mutually beneficial partnership between DSL and ODF has effectively produced sustainable timber revenue for the CSF.

However, because of protections provided to ensure compliance for species listed under the Federal Endangered Species Act (ESA), the State Land Board (SLB) has been increasingly challenged to achieve their constitutional mandate to generate maximum benefit for the CSF.

There is a desire from some members of the public and from the SLB to decouple timber management from school education funding by changing the ownership and purpose of some trust lands as revenue-generating assets for the CSF. There is also significant support to retain public ownership of trust lands that have high conservation and/or socio-economic value. Understanding there is also interest in maintaining working forest, but given current challenges, this may be one option to move forward.

HB 3474 appears to address these issues by establishing a trust land transfer program, by which the fair market value of any lands transferred is paid into the CSF corpus, while the land remains in public ownership, transferred to another public agency to be managed for other desirable public benefits.

Specifically, it could provide a useful mechanism to address the challenges posed by the Federal ESA in meeting the State Constitutional CSF mandate. The bill also addresses increasing public demand for protecting unique habitat and landscape features that occur on trust lands, while

providing a funding mechanism to compensate the CSF for these sensitive and difficult to manage lands so that they can be owned and managed by another public agency.

The Department of Forestry believes the concept of a trust lands transfer program, such as the one developed by HB 3474, would benefit Oregonians by providing a tool for meeting the fiscal mandates of the Common School Fund while protecting multiple public values.

I appreciate the opportunity to provide these comments on House Bill 3474 on behalf of the Oregon Department of Forestry

Sincerely,



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c: Doug Decker, State Forester
Richard Whitman, Governor's Natural Resource Advisor
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