

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Hansell

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 06/30/15

Vote:

Senate

Yeas: 10 - Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Whitsett, Winters

Exc: 2 - Burdick, Thomsen

House

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Matt Stayner, Legislative Fiscal Office

Agency: Department of Forestry

Biennia: 2015-17; 2013-15

Agency: Emergency Board

Biennium: 2015-17

Budget Summary*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 111,365,422	\$ 57,981,587	\$ 60,017,243	\$ (51,348,179)	-46.1%
General Fund Debt Service	\$ 2,873,589	\$ 2,920,698	\$ 2,920,698	\$ 47,109	1.6%
Lottery Funds	\$ 2,885,000	\$ -	\$ 5,000,000	\$ 2,115,000	73.3%
Lottery Funds Debt Service	\$ 2,523,132	\$ 2,524,885	\$ 2,481,960	\$ (41,172)	-1.6%
Other Funds Limited	\$ 391,974,899	\$ 219,899,015	\$ 219,283,958	\$ (172,690,941)	-44.1%
Other Funds Capital Improvements	\$ 4,314,778	\$ 4,444,222	\$ 4,444,222	\$ 129,444	3.0%
Other Funds Debt Service	\$ 1,694,322	\$ 1,928,275	\$ 1,928,275	\$ 233,953	13.8%
Federal Funds	\$ 34,108,167	\$ 32,103,731	\$ 34,793,265	\$ 685,098	2.0%
Total	\$ 551,739,309	\$ 321,802,413	\$ 330,869,621	\$ (220,869,688)	-40.0%

Position Summary

Authorized Positions	1,200	1,199	1,196	-4
Full-time Equivalent (FTE) positions	871.72	874.06	875.04	3.32

Emergency Board

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 5,000,000	\$ -	\$ 6,000,000	\$ 1,000,000	100.0%
Total	\$ 5,000,000	\$ -	\$ 6,000,000	\$ 1,000,000	100.0%

2013-15 Budget*

	2013-15 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Federal Funds	\$ 34,108,167	\$ -	\$ 31,108,167	\$ (3,000,000)	-8.8%
Total	\$ 34,108,167	\$ -	\$ 31,108,167	\$ (3,000,000)	-8.8%

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Oregon Department of Forestry (ODF) is funded with General Fund, Lottery Funds, Other Funds, and Federal Funds. ODF's programs are funded through a network of public and private sources. General Fund comprises just over 19 percent of the total agency funding. Other Fund revenues such as timber sale revenues on state lands, harvest taxes paid by all timber harvesters in Oregon, and fire protection assessments paid by private forest landowners. Other revenue sources are seed cooperative assessments camping fees on state forest lands, a portion of all-terrain vehicle license fees, Federal Funds for fire protection services on federal lands, and General Fund support for parts of the Fire, Private Forests, and Agency Administration programs. Lottery Funds support debt service and one-time funding to continue and expand federal forest restoration work.

The budget assumes passage of House Bill 2455, which would set the Forest Products Harvest Tax rates for calendar years 2016 and 2017. This tax helps fund the Forest Practices program. Major Other Funds revenue sources in the upcoming biennia include \$178,720,000 from timber sales on State Forest Land, \$45,971,548 from Forest Protection Taxes, \$15,947,087 from charges for services, and \$9,586,000 from timber sales on Common School Land.

Summary of Natural Resources Subcommittee Action

ODF 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; and,
- Works with partners on practical solutions for salmon habitat restoration and encroaching urbanization of wild land areas.

The Subcommittee recommended a budget of \$62,937,941 General Fund, \$7,481,960 Lottery Funds, 225,656,455 Other Funds, and \$34,793,265 Federal Funds for 2015-17 which is 40.0 percent lower than the legislatively approved spending level for the 2013-15 biennium. The recommended 2015-17 budget is substantially lower than the previous biennium due to the phase out of expenditure authority and appropriations for emergency fire costs during the 2013 and 2014 fire seasons.

In addition to establishing the 2015-17 budget for ODF, House Bill 5019, as approved by the Subcommittee, establishes an appropriation of \$6,000,000 General Fund to the Emergency Board and reduces the 2013-15 Federal Funds expenditure limitation for the State Forests program by \$3,000,000. This appropriation to the Emergency Board is for allocation to ODF for severity resources (\$4.0 million) and anticipated catastrophic fire insurance premium costs (\$2.0 million). The reduction to Federal Funds expenditure limitation in the State Forests program is to recognize that the agency will not complete the purchase of lots to be added to the Gilchrist State Forest in the 2013-15 biennium.

Agency Administration

The Agency Administration program is responsible for: assessing and reporting on the condition of Oregon's forest resources; increasing Oregonians' understanding of forests, forestry, and the Board of Forestry; preserving the forestland base by promoting sound land use planning; managing the agency's business, accounting and technical units; and providing sufficient levels of support to the Board of Forestry. The Subcommittee approved a budget of \$38,002,555 total funds and 101 positions (105.02 FTE).

- Package 181 – Services and Supplies Shortfall. This package provides \$580,000 Other Funds expenditure limitation for Services and Supplies expenditures. Since the 2001-2003 biennium, Services and Supplies funding for the Agency Administration program has been continuously eroded through a series of reductions. The funding source for this restoration comes from a General Fund transfer of \$269,117 from the Fire Protection and Private Forest programs and the remaining \$310,883 Other Funds is from other operating programs.

It is the understanding of the Legislature that a portion of this funding will be used for activities related to the initial planning and implementation of an integrated enterprise purchasing and procurement system that will interface with ODF's current accounting system and procurement databases. This project is intended to replace the antiquated Forestry Purchase Order System and allow the agency to gain control of the purchasing processes from request to payment. These activities include: the assignment or retention of a project manager, developing a detailed business case, developing foundational project management documents, and acquiring the services of an independent quality management services contractor to conduct an initial risk assessment and quality control review of the business case and foundational project management documents. It is anticipated that the agency will complete these activities and submit a funding request during the 2016 Legislative Session for the completion of the project.

- Package 182 – Agency Administration Technical Adjustments. This package increases Other Funds expenditure authority by \$335,449, reduces Federal Funds expenditure authority by \$219,267, and moves one position (0.71 FTE) from Fire Protection to Agency Administration. This package makes technical adjustments to the funding source and classification of several existing positions. In addition to moving one position from Fire Protection to Agency Administration, technical adjustments in the package include: reclassifying one Natural Resource Specialist 3 position to a Natural Resource Specialist 4, fund shifting one Accounting Technician 3 position from 100 percent Federal Funds to 100 percent Other Funds, fund shifting one Principle Executive Manager E position from 100 percent Federal Funds to a 75-25 split between Federal Funds and Other Funds.

Agency Administration is funded largely by an administrative pro-rata charge to other agency programs, and as a result \$155,646 in funding for this package comes from a General Fund transfer from the Fire Protection and Private Forest programs.

- Package 184 – IT Restructure. This package provides \$29,962 Other Funds expenditure limitation to reclassify four positions in the agency's information technology program. The package reclassifies one Support Services Supervisor 2 to a Principle Executive Manager C, one Office Specialist 2 to an Administrative Specialist 1, and two Information Systems Specialist 6 (ISS) positions to ISS7. The reclassification of these positions will create backup capacity in critical areas of support, and will help develop staff for succession planning.

Agency Administration is funded largely by an administrative pro-rata charge to other agency programs and as a result \$13,901 in funding for this package comes from a General Fund transfer from the Fire Protection and Private Forest programs.

- Package 185 – ODF Federal Forest Restoration. This package provides a one-time \$5,000,000 Lottery Funds allocation, establishes four limited duration positions (4.00 FTE), and extends, during the 2015-2017 biennium only, eleven existing seasonal positions by eight months each (3.64 FTE). This package provides funding to reestablish and expand federal forest restoration work. In the 2013-15 biennium, the Legislature provided \$2.885 million Lottery Funds for the program to provide grants for collaborative groups, contracts for scientific research, and to directly support activities intended to increase the pace and scale of forest product harvest activities on federal lands. Activities funded in the prior biennium were limited to forest lands on the east side of the cascades, primarily in the Blue, Wallowa, Malheur, and Ochoco Mountains. This package expands the work of the program statewide.

Funding in the package is split between collaborative group support (\$1.3 million), state/federal partnerships (\$3.375 million), and program management and administration (\$325,000). Grants to collaborative groups will be managed by the Oregon Watershed Enhancement Board. Four new, limited duration positions are established in the program; a Natural Resources Specialist 3 and a Procurement Specialist 3 position within the Salem headquarters and two Natural Resources Specialists 3s placed in the ODF district offices. Additionally, eleven existing seasonal positions will be temporarily extended by eight months.

Fire Protection

The Fire Protection program provides fire protection on approximately 16 million acres of forest and rangeland and is responsible for fire prevention, fires suppression, and treatment of forest fuels. The program delivers fire protection through a complete and coordinated system with federal agencies, forest landowners, contractors, local structural fire agencies, and nearby states and providences. Program services include fire prevention, detection and suppression, equipment cache, communications, weather and smoke management services, mapping, federal grant utilization, central and field program administration, and Emergency Fire Cost management. The program's Emergency Fire Cost Committee is responsible for the Oregon Forestland Protection Fund, 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 budget of \$125,842,703 total funds and 693 positions (394.78 FTE).

- Package 113 – Non-limited Other Funds authority. This package is a revenue only package to remove \$20,000,000 in Nonlimited Other Funds revenue that was established in the base budget during the budgeting process.
- Package 119 – Rangeland Protection Associations Support. This package provides \$258,554 General Fund, reduces Federal Funds expenditure limitation by \$91,199, and adds one new full time position (1.00 FTE). This package continues the implementation of the agency's strategic initiative on Rangeland Protection Association Capacity. The Rangeland Fire Protection position that is added in this package will provide administrative support to help the associations with their federal and state paperwork requirements, budgets, and completing reimbursements of insurance costs. This package also fund shifts one existing position from 100 percent Federal Funds to a 50-50 split between Federal Funds and General Fund.

- Package 120 – Rangeland Wildfire Threat Reduction. This package provides a one-time \$500,000 General Fund appropriation for grants to support rangeland wildfire threat reductions. The package provides grant funding for eligible services, supplies and equipment expenditures of Rangeland Fire Protection Associations and counties in addressing rangeland wildfire management and suppression on unprotected or under-protected lands. This funding is to be implemented consistent with wildfire-related provisions of Oregon’s plan for addressing the conservation of Greater Sage Grouse and rural community vitality. ODF will provide the funding to the Oregon Watershed Enhancement Board who will oversee the grant program in conjunction with other ODF grant programs.
- Package 181 – Services and Supplies Shortfall. This package provides a \$214,498 General Fund appropriation. The package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration Division.
- Package 182 – Agency Administration Technical Adjustments. This package provides a \$124,057 General Fund appropriation, reduces Other Funds by \$124,257, and moves one position (0.71 FTE) from Fire Protection to Agency Administration. The package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration division.
- Package 184 – IT Restructure, provides an \$11,080 General Fund appropriation. The package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration Division.

Equipment Pool

The Equipment Pool provides the agency with the equipment necessary to meet its mission. The program contains two sections: the Transportation Pool and the Radio Communications Pool. The Transportation Pool has approximately 540 pieces of equipment and manages approximately 220 additional pieces of equipment directly owned by districts, forest protection associations or the Federal government. The Radio Pool has approximately 3,600 pieces of major radio equipment and provides support and engineering not only for the department’s radio systems, but for other agencies as well. The Subcommittee approved a budget of \$15,816,835 total funds and 29 positions (29.73 FTE).

The Subcommittee recommended funding this program at current service level.

State Forests

The State Forests program manages more than 800,000 acres of forestland for the Board of Forestry and the State Land Board. Included in this management are six state forests: Tillamook, Clatsop, Santiam, Sun Pass, Gilchrist and Elliot, plus some scattered smaller tracts. Roughly 85 percent of the state forest acreage is owned by the Board of Forestry and the remaining acres are owned by the State Land Board for the benefit of the Common School Fund. The program also includes the J.E. Schroeder Seed Orchard that develops and preserves the genetic quality of state and private forestlands and increasing the yield and quality of future forests planted for harvest. The Subcommittee approved a budget of \$94,048,391 total funds and 258 positions (233.08 FTE).

- Package 801 – LFO Analyst Adjustment. This package removes nine positions (8.66 FTE) and \$1,995,171 Other Funds expenditure limitation. The package removes positions due to reductions in workload on Common School Fund lands resulting from a change in the

management of the Elliott Forest. In addition to the reduction in positions, the package includes a reduction of \$563,801 Other Funds for professional service contracts.

- Package 802 – Federal Grants for Gilchrist State Forest. This package provides one-time \$3,000,000 Federal Funds expenditure limitation in the 2015-17 biennium and reduces Federal Funds expenditure limitation by \$3,000,000 in the 2013-15 biennium. The package re-establishes expenditure authority for the use of federal grant funding to purchase a number of lots to be added to the Gilchrist State Forest. ODF received the federal funding in the prior biennium, but does not anticipate that the purchase will be completed until the Fall 2015. The Legislature originally provided the agency with expenditure limitation in the 2013-15 budget, however the agency will not expend the funds prior to the end of the 2013-15 biennium. Because the purchase will not be completed until the Fall 2015, this package is needed to allow the agency to expend the federal funds in the upcoming biennium.

Private Forests

The Private Forests program administers the Oregon Forest Practices Act and delivers a range of services to industrial, family-forest, state, local government and some federal landowners. These services include technical and financial assistance, developing and implementing innovative programs relevant to private forestry in Oregon, and early detection and response to forest health threats. The Subcommittee approved a budget of \$40,150,913 total funds and 115 positions (112.43 FTE).

- Package 151 – Electronic Notification System Maintenance. This package provides \$838,438 General Fund, \$558,960 Other Funds expenditure limitation, and establishes one limited duration position (1.00 FTE). This package includes one-time resources needed to plan and implement two incremental enhancements to the Forestry Activity Electronic Reporting and Notification System (FERNS) and ongoing funding required for maintenance and support for the system. The FERNS project was a result of recommendations made as part of an independent assessment of the agency’s operation of the Forestry Practices Act. The project has been undertaken in a phased, multi-release method from 2012 to present. Throughout the project’s lifecycle, ODF has worked with and provided regular status reports to the Office of the State Information Officer (OSCIO) and the Legislative Fiscal Office (LFO). The package addresses two primary shortcomings of the existing FERNS system: enhanced reporting and workflow improvements, and public subscriber access. Tertiary benefits include the resolution of existing bugs and user enhancements of the existing system. The limited duration position will provide project management services and it is anticipated that the majority of the work will be completed using contracted IT Services.

As recommended by the Information Technology Subcommittee ODF should:

- Continue to work closely with and regularly report project status to the OSCIO and LFO throughout the lifecycle of the proposed FERNS enhancement project;
- Follow the Joint State CIO/LOF Stage Gate Process;
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope and magnitude;
- Update the Business Case and foundational project management documents as required;
- Work with the OSCIO to acquire Independent Quality Management Services as required to:
 - Conduct an initial risk assessment and perform Quality Control (QC) reviews.

- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to the OSCIO and LFO for Stage Gate Review;
 - Report back to the Legislature on the project status during the 2016 Annual Legislative Session and/or to interim Legislative committees as required;
 - Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, and project status and closeout reporting activities throughout the life of the FERNS enhancement project.
- Package 181 – Services and Supplies Shortfall. This package provides a \$54,619 General Fund appropriation. The package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration division.
 - Package 182 – Agency Administration Technical Adjustments. This package provides a \$31,589 General Fund appropriation. This package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration division.
 - Package 184 – IT Restructure. This package provides a \$2,821 General Fund appropriation. The package provides the funding and transfer authority for expenditures contained in the corresponding package of the Agency Administration division.

Facility Maintenance & Management

The Facilities Maintenance and Development program is solely focused on facilities maintenance activities. ODF owns 390 structures situated through the state including mountain-top lookouts, radio communication sites, remote forest guard stations, district offices, shops, warehouses etc. The Subcommittee approved a budget of \$5,233,069 total funds.

The Subcommittee recommended funding this program at current service level.

Debt Service

The Debt Service program funds the payment of the agency's debt service obligations. The Subcommittee approved a budget of \$7,330,933 total funds.

- Package 811 – Update Base Debt Service. This package reduces Lottery Funds Debt Service by \$42,925. This package adjusts current service level for lottery bond debt service related revenue and expenditures expected for the 2015-17 biennium for ODF.

Capital Improvement

The Capital Improvement program supports ODF by maintaining investments in capital assets, improving the functionality of buildings, and renewing obsolete facility and system components. The Subcommittee approved a budget of \$4,444,222 total funds.

The Subcommittee recommended funding this program at current service level.

2013-15 Budget Adjustment

The Subcommittee approved a reduction of \$3,000,000 Federal Funds expenditure limitation for the State Forests program in the 2013-15 biennium. This reduction to Federal Funds expenditure limitation in the State Forests program is to recognize that the agency will not complete the purchase of lots to be added to the Gilchrist State Forest in the 2013-15 biennium.

Summary of Performance Measure Action

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5019-A

Oregon Department of Forestry
Dustin Ball -- 503-378-3119

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2013-15 Legislatively Approved Budget at Dec 2014 *	\$ 114,239,011	\$ 5,408,132	\$ 397,983,999	\$ -	\$ 34,108,167	\$ -	\$ 551,739,309	1,200	871.72	
2015-17 Current Service Level (CSL)*	\$ 60,902,285	\$ 2,524,885	\$ 226,271,512	\$ -	\$ 32,103,731	\$ -	\$ 321,802,413	1,199	874.06	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 008 - Agency Administration										
Package 181: Services & Supplies Shortfall										
Services and Supplies	\$ -	\$ -	\$ 580,000	\$ -	\$ -	\$ -	\$ 580,000			
Package 182: Agency Administration Technical Adjustments										
Personal Services	\$ -	\$ -	\$ 335,449	\$ -	\$ (219,267)	\$ -	\$ 116,182	1	0.71	
Package 184: IT Restructure										
Personal Services	\$ -	\$ -	\$ 29,962	\$ -	\$ -	\$ -	\$ 29,962	0	0.00	
Package 185: ODF Federal Forest Restoration										
Personal Services	\$ -	\$ 1,111,223	\$ -	\$ -	\$ -	\$ -	\$ 1,111,223	4	7.64	
Services and Supplies	\$ -	\$ 2,587,940	\$ -	\$ -	\$ -	\$ -	\$ 2,587,940			
Special Payments - Special Payment to Watershed Enhancement Board	\$ -	\$ 1,300,837	\$ -	\$ -	\$ -	\$ -	\$ 1,300,837			
SCR 010 - Fire Protection										
Package 119: Rangeland Protection Associations Support										
Personal Services	\$ 208,554	\$ -	\$ -	\$ -	\$ (91,199)	\$ -	\$ 117,355	1	1.00	
Services and Supplies	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000			
Special Payments - Dist to Non-Gov't Units	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000			
Package 120: Rangeland Wildfire Threat Reduction										
Special Payments - Dist to Non-Gov't Units	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000			
Package 181: Services & Supplies Shortfall										
Special Payments - Intra-Agency Gen Fund Transfer	\$ 214,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,498			
Package 182: Agency Administration Technical Adjustments										
Personal Services	\$ -	\$ -	\$ (124,257)	\$ -	\$ -	\$ -	\$ (124,257)	-1	-0.71	
Special Payments - Intra-Agency Gen Fund Transfer	\$ 124,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,057			
Package 184: IT Restructure										
Special Payments - Intra-Agency Gen Fund Transfer	\$ 11,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,080			
SCR 030 - State Forests										
Package 801: LFO Analyst Adjustment										
Personal Services	\$ -	\$ -	\$ (1,173,719)	\$ -	\$ -	\$ -	\$ (1,173,719)	-9	-8.66	
Services and Supplies	\$ -	\$ -	\$ (821,452)	\$ -	\$ -	\$ -	\$ (821,452)			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 802: Federal Grants for Gilchrist State Forest									
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -		
SCR 050 - Private Forests									
Package 151: Electronic Notification System Maintenance									
Personal Services	\$ 109,438	\$ -	\$ 72,960	\$ -	\$ -	\$ -	\$ -	182,398	1 1.00
Services and Supplies	\$ 729,000	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	1,215,000	
Package 181: Services & Supplies Shortfall									
Special Payments	\$ 54,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	54,619	
Package 182: Agency Administration Technical Adjustments									
Special Payments - Intra-Agency Gen Fund Transfer	\$ 31,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	31,589	
Package 184: IT Restructure									
Special Payments - Intra-Agency Gen Fund Transfer	\$ 2,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,821	
SCR 085 - Debt Service									
Package 811: Update BASE Debt Service Adjustment									
Debt Service	\$ -	\$ (42,925)	\$ -	\$ -	\$ -	\$ -	\$ -	(42,925)	
TOTAL ADJUSTMENTS	\$ 2,035,656	\$ 4,957,075	\$ (615,057)	\$ -	\$ 2,689,534	\$ -	\$ -	9,067,208	-3 0.98
SUBCOMMITTEE RECOMMENDATION *	\$ 62,937,941	\$ 7,481,960	\$ 225,656,455	\$ -	\$ 34,793,265	\$ -	\$ -	330,869,621	1,196 875.04
% Change from 2013-15 Leg Approved Budget	-44.9%	38.3%	-43.3%	0.0%	2.0%	0.0%		40.2%	
% Change from 2015-17 Current Service Level	3.3%	196.3%	-0.3%	0.0%	8.4%	0.0%		2.8%	

*Excludes Capital Construction Expenditures

EMERGENCY BOARD

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Special Purpose Appropriation for Fire Protection Expenses	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	6,000,000	

2013-15 BUDGET ADJUSTMENTS

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 030 - State Forests									
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000,000)	\$ -	(3,000,000)	

Legislatively Approved 2015-2017 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 2016	Target 2017
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	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.	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 2016	Target 2017
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 forest operations that are in compliance with the Forest Practices Act		Approved KPM	96.50	100.00	100.00
4 - URBAN AND COMMUNITY FOREST MANAGEMENT Percent of Oregon cities actively managing their urban and community forest resources.		Approved KPM	36.00	50.00	50.00
5 - STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests		Approved KPM	5.50	1.00	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	3,737,007.00	6,000,000.00	60,000,000.00
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	509,341.00	900,000.00	900,000.00
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	9.00	25.00	25.00
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	15.00	10.00	5.00

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 2016	Target 2017
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	65.00	67.00	67.00
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	98.50	102.00	103.00
10 - STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.		Approved KPM	17.25	30.00	30.00
11 - FIRE SUPPRESSION EFFECTIVENESS ? Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.		Approved KPM	93.04	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	17.84	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	98.06	98.00	98.00
7 - FAMILY FORESTLAND FULLY ENGAGED IN SUSTAINABLE FORESTRY - Acres of non-industrial private forestland managed under an Oregon Forest Management Plan or a recognized third-party certification system.		Legislative Delete			
14 - FOREST BIOMASS UTILIZATION-- Million bone-dry tons of forest biomass converted to biofuels, electricity or steam.		Legislative Delete	0.00	2.00	2.00

LFO Recommendation:

The Oregon Department of Forestry has requested the deletion of KPMs 7a and 7b and replace those measures with a new measure that would essentially exclude industrial forest lands from the goal of increasing the number of acres certified by a third party or subject to an approved management plan as meeting and often exceeding the Forest Practices Act. The Legislative Fiscal Office recommends that the proposed KPM 7 not be adopted and the existing KPMs 7a and 7b be continued. The Legislative Fiscal Office also recommends that KPM 14, Forest Biomass Utilization, be deleted. ODF relies on information reported by the U.S. Energy Information Administration (EIA) for the reported quantity under this KPM. The EIA has not reported this data since 2010. LFO recommends the remaining Key Performance Measures be adopted as presented.

Sub-Committee Action:

The Natural Resources Subcommittee approved the LFO recommendation to retain the existing KPMs 7a and 7b and the elimination of KPM 14