

# Oregon Department of Forestry



79<sup>th</sup> Oregon Legislative Assembly  
2017-19 Biennial Budget  
Ways and Means Presentation  
April 2017



**jobs & revenue**



**clean water**



**sustainability**



**recreation**



**habitat**





# Presentation Overview

- **Overview of Oregon's forests**
- **ODF and our services to Oregonians**
- **Budget overview**
- **A closer look at our key businesses**





# Healthy forests are crucial to Oregon



**Public investment is  
important to maintaining  
our forests**



# OVERVIEW OF OREGON'S FORESTS

# Satellite Imagery of Oregon

2016



0 25 50 100 Miles

Data Source:  
National Agriculture  
Imagery Program



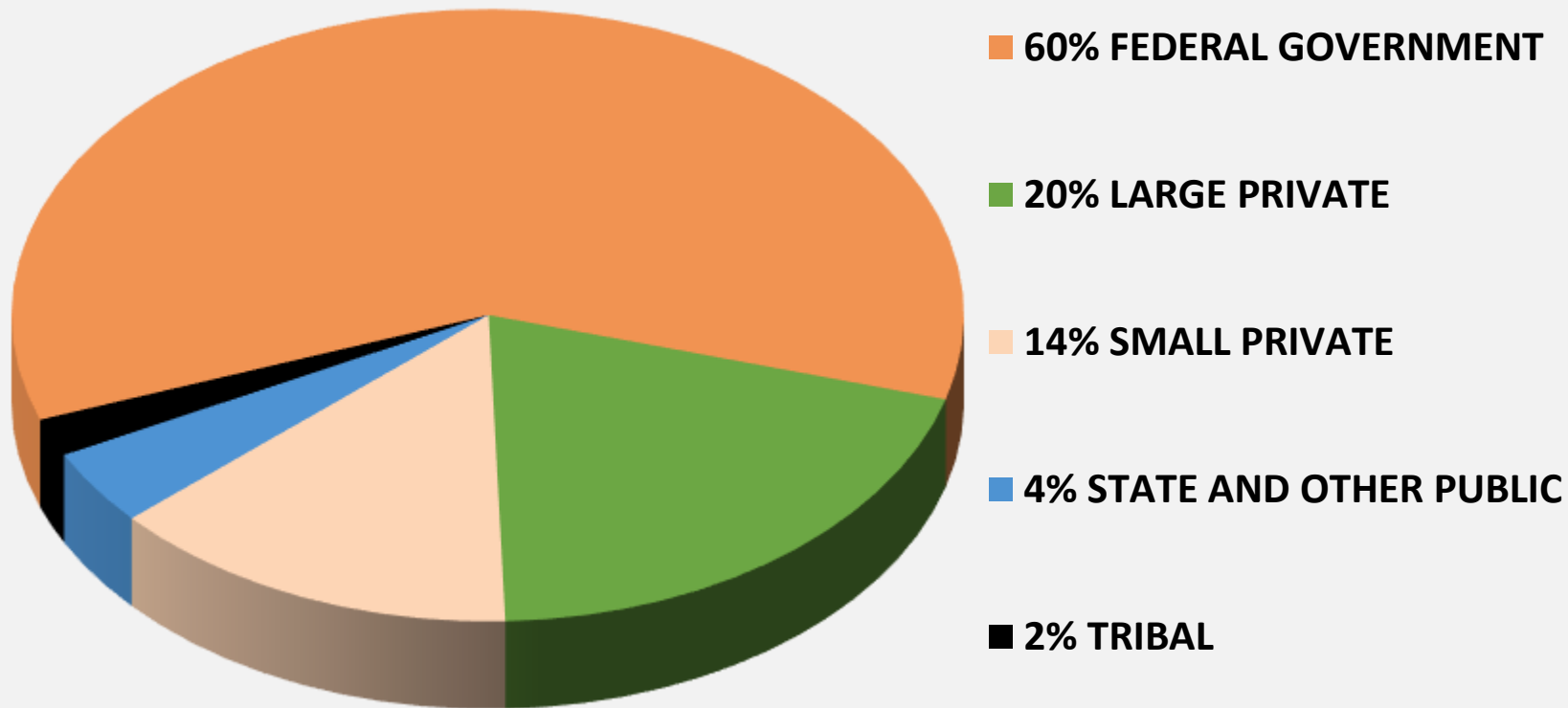
Prepared by:  
Oregon Department of Forestry  
02/22/2017

**Overview of Oregon's Forests**





# Who Owns Oregon's Forests?





# Oregon's urban forests



# Economic | Environmental | Social benefits





# Economic benefits



- **Jobs and income**
- **Part of Oregon's economic base**
- **Benefits to rural communities**



# Support for public services



# Clean water



# Wildlife habitat





# Recreation







# Forest learning



# Ecosystem services





# BOARD AND DEPARTMENT OF FORESTRY

# Board of Forestry



**Tom Imeson, Chair**



**Sybil Ackerman-Munson**



**Nils Christoffersen**



**Cindy Deacon Williams**



**Tom Insko**



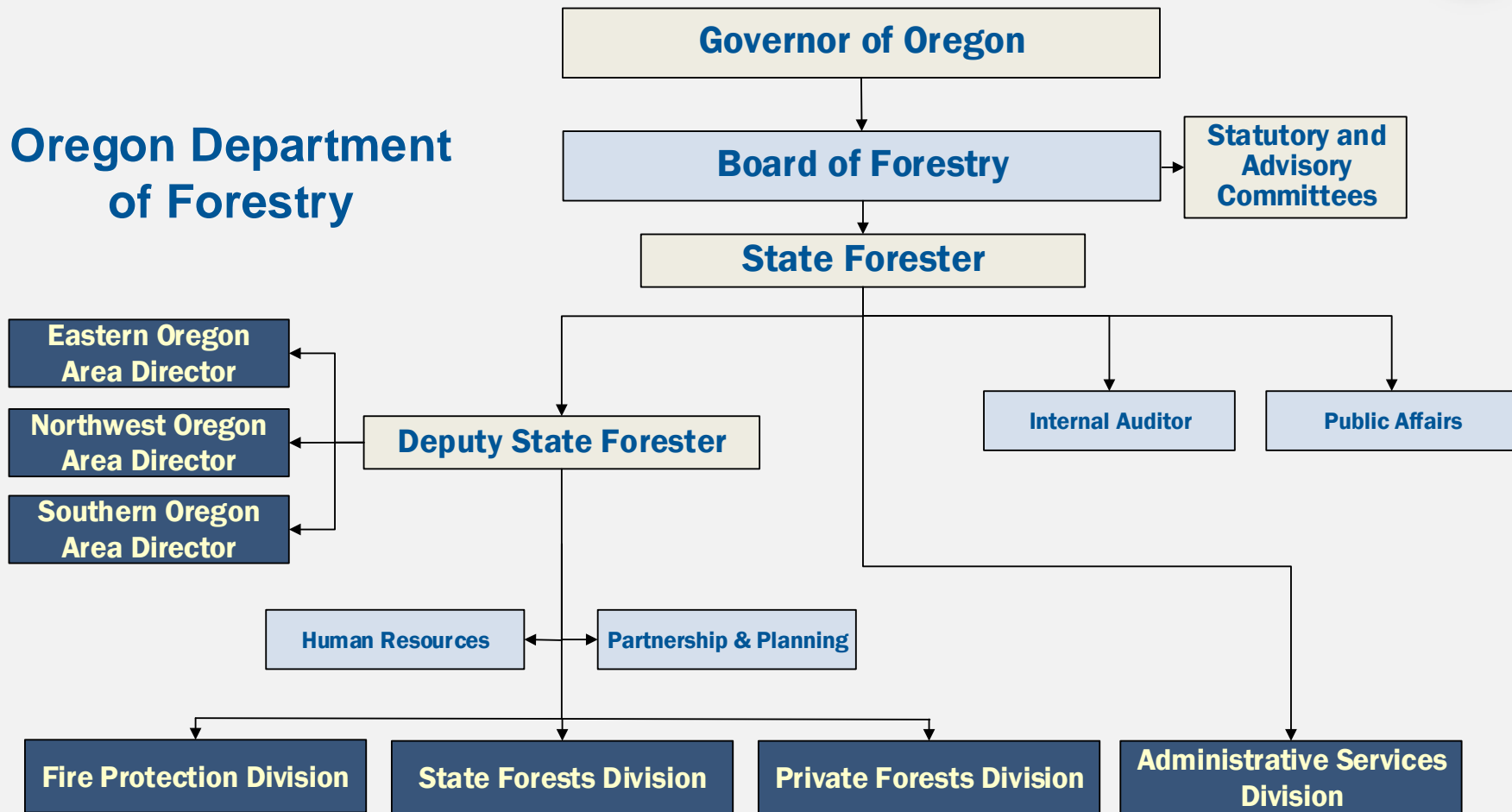
**Mike Rose**



# Tom Imeson, Chair Oregon Board of Forestry



# Oregon Department of Forestry







# Direct benefit to Oregonians







# GOVERNOR'S BUDGET

# Governor's Budget

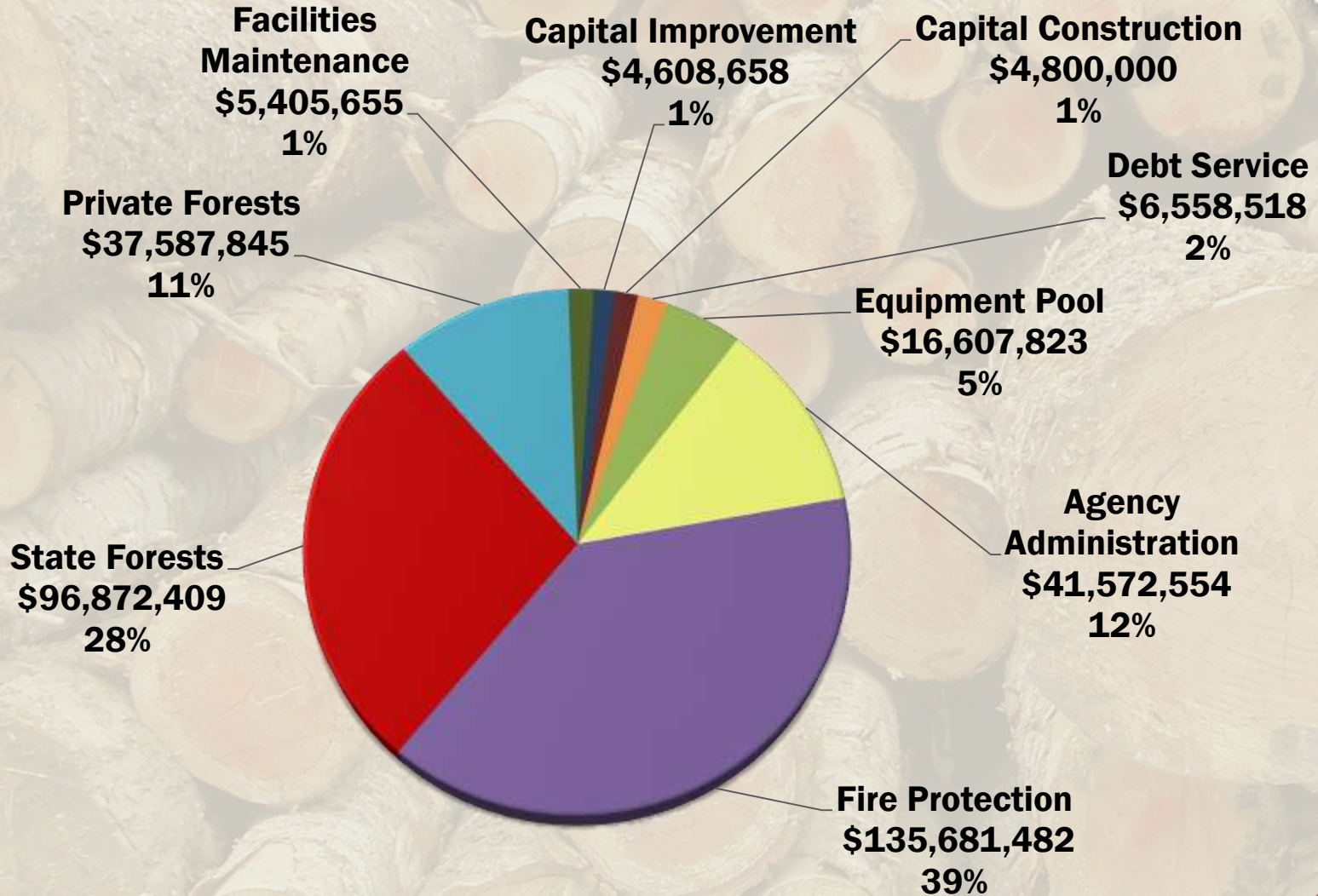
## by fund type

2017-19

Governor's Budget

General Fund	\$65,143,455
Lottery Funds	\$7,006,595
Other Funds	\$244,000,610
Federal Funds	\$33,544,284
<b>Total Funds</b>	<b>\$349,694,944</b>
Full-Time Equivalent (FTE)	850.18

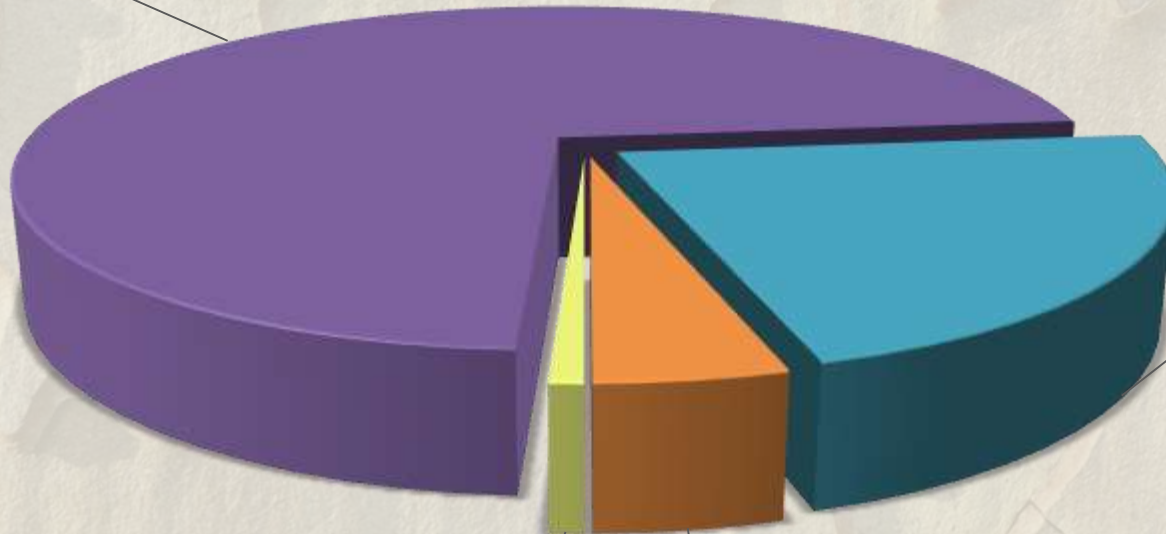
## 2017-19 GOVERNOR'S BUDGET BY PROGRAM AREA (Total \$349,694,944)





## 2017-19 GOVERNOR'S BUDGET General Fund by Program (Total \$65,143,455)

**Fire Protection**  
**\$47,251,977**  
**73%**



**Private Forests**  
**\$14,438,076**  
**22%**

**Agency  
Administration**  
**\$520,044**  
**1%**

**Debt Service**  
**\$2,933,358**  
**4%**



# **2017-19 Governor's Budget Policy Option Packages**

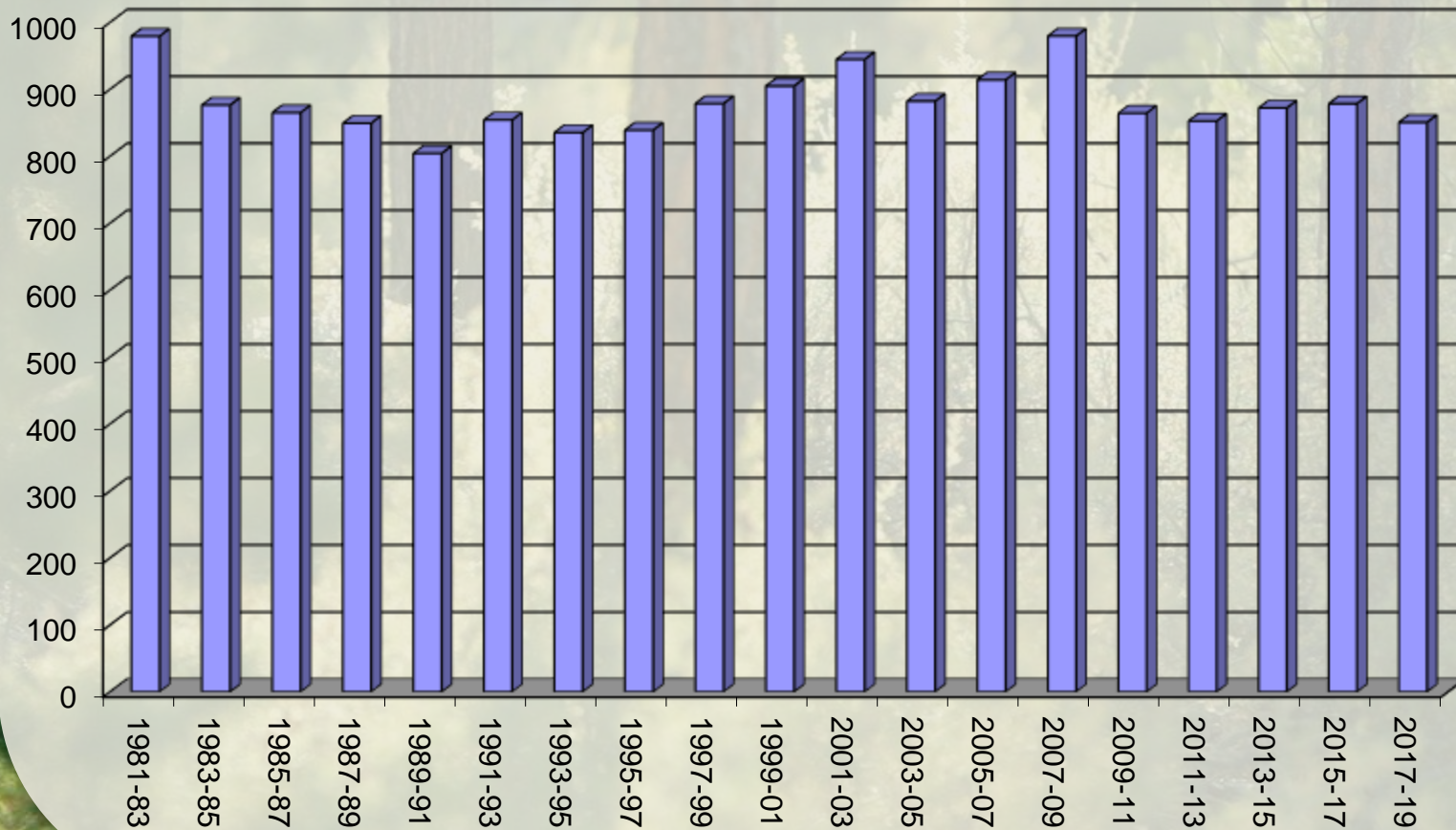
- **Special Purpose Appropriation (\$6 M GF)**
- **Fire Program aviation capacity (\$67,000 GF)**
- **Protect sage grouse habitat and rangeland health (\$650,000 GF)**
- **Continue progress on federal forest restoration (\$4.4 M Lottery)**
- **Restore State Forester's Office Building (\$135,719 GF; \$3.2 M bonds)**
- **Replace Toledo facility (\$57,568 GF; \$1.93 M bonds)**



# **General Fund reduction plan**

- **Seeks to protect top-priority fire mission.**
- **In Private Forests, minimizes but does not avoid reduction in “boots on the ground.” Impacts occur throughout Division.**
- **Reduces some Fire Protection capacity.**
- **Reduces Administrative Services.**

**FULL TIME EQUIVALENTS (FTE)  
1981-2017 LEGISLATIVELY APPROVED FTE  
AND 2017-19 GOVERNOR'S BUDGET FTE OF 850.18**





# The bottom line

**Public investment is critical:**

- **To protect forests from fire**
- **To keep forests healthy and working**
- **To manage our state-owned forests for many benefits**
- **To help restore federal forests**





# FIRE PROTECTION



# Purpose

Protecting forests from fire



# ODF Protection Districts

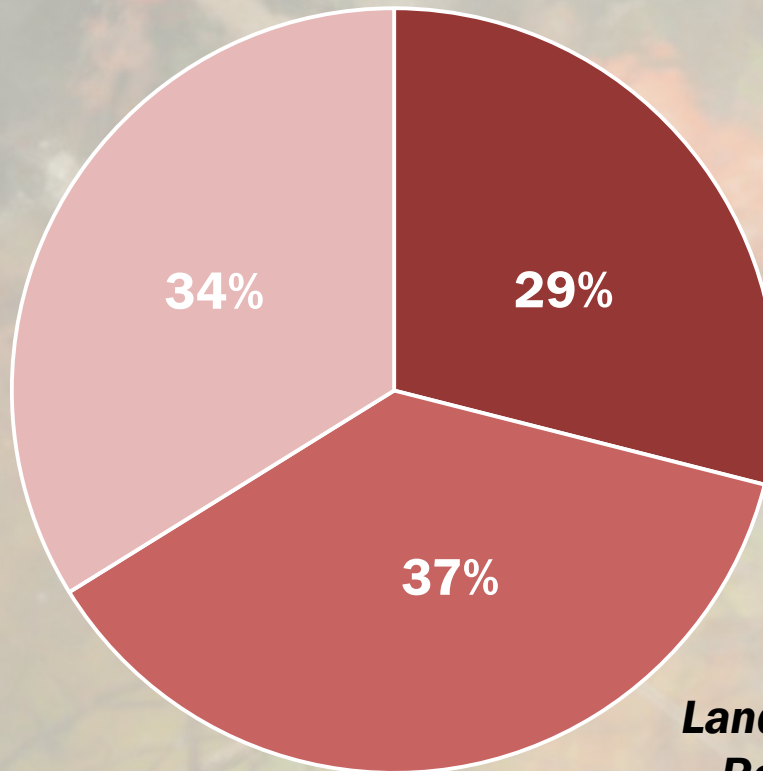




# Number of fires by cause

**Average Number of Fires by Cause  
Statewide 2007 - 2017**

**Public  
325 fires**



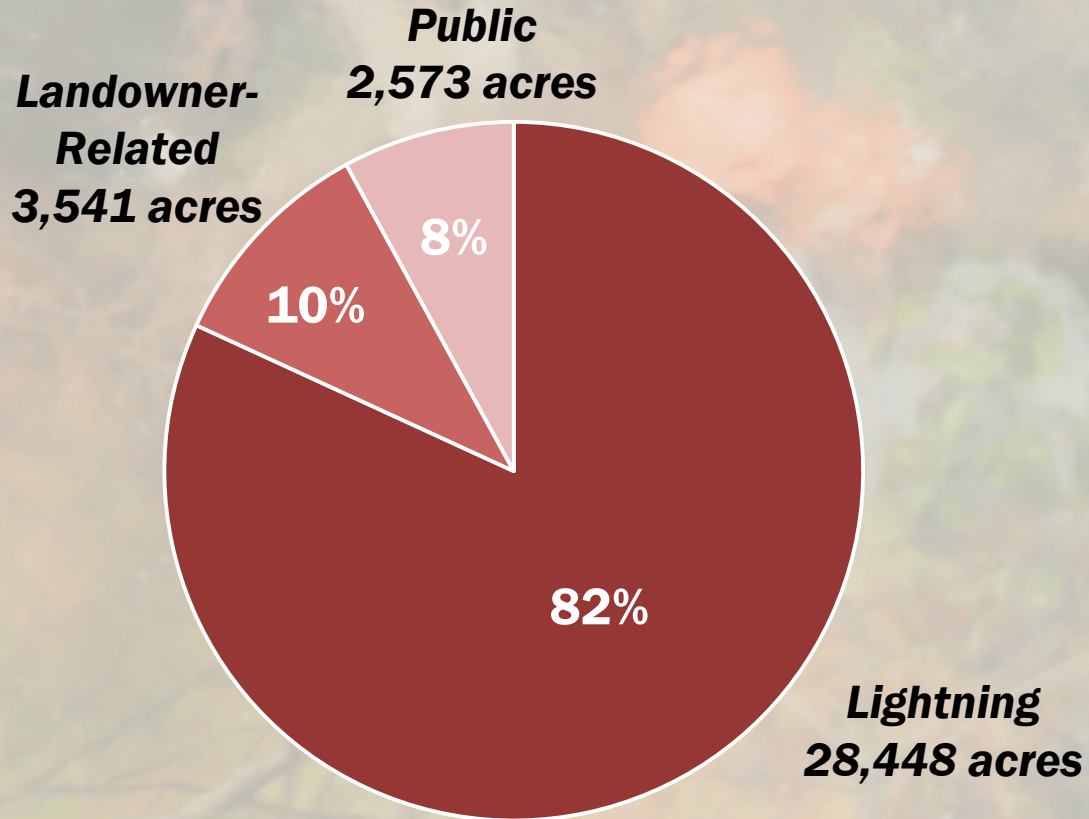
**Lightning  
278 Fires**

**Landowner-  
Related  
358 fires**



# Acres burned by cause

**Total Acres Burned by Cause  
Statewide 2007 - 2016**





# **Fire Protection Strategies**

- **Prevention**
- **Suppression**
- **Mitigating the wildfire risk**
- **Adequate funding**

Green



KeepOregonGreen.org

70 years  
Prevention

Keep Oregon Green  
Ranger Program  
www.kogranger.org

# Prevention

PREVENT  
WILDFIRES

PREVENT  
KEEP OREGON GREEN  
WILDFIRES

VISION  
GOALS  
WILDFIRE AWARENESS WEEK





# Suppression

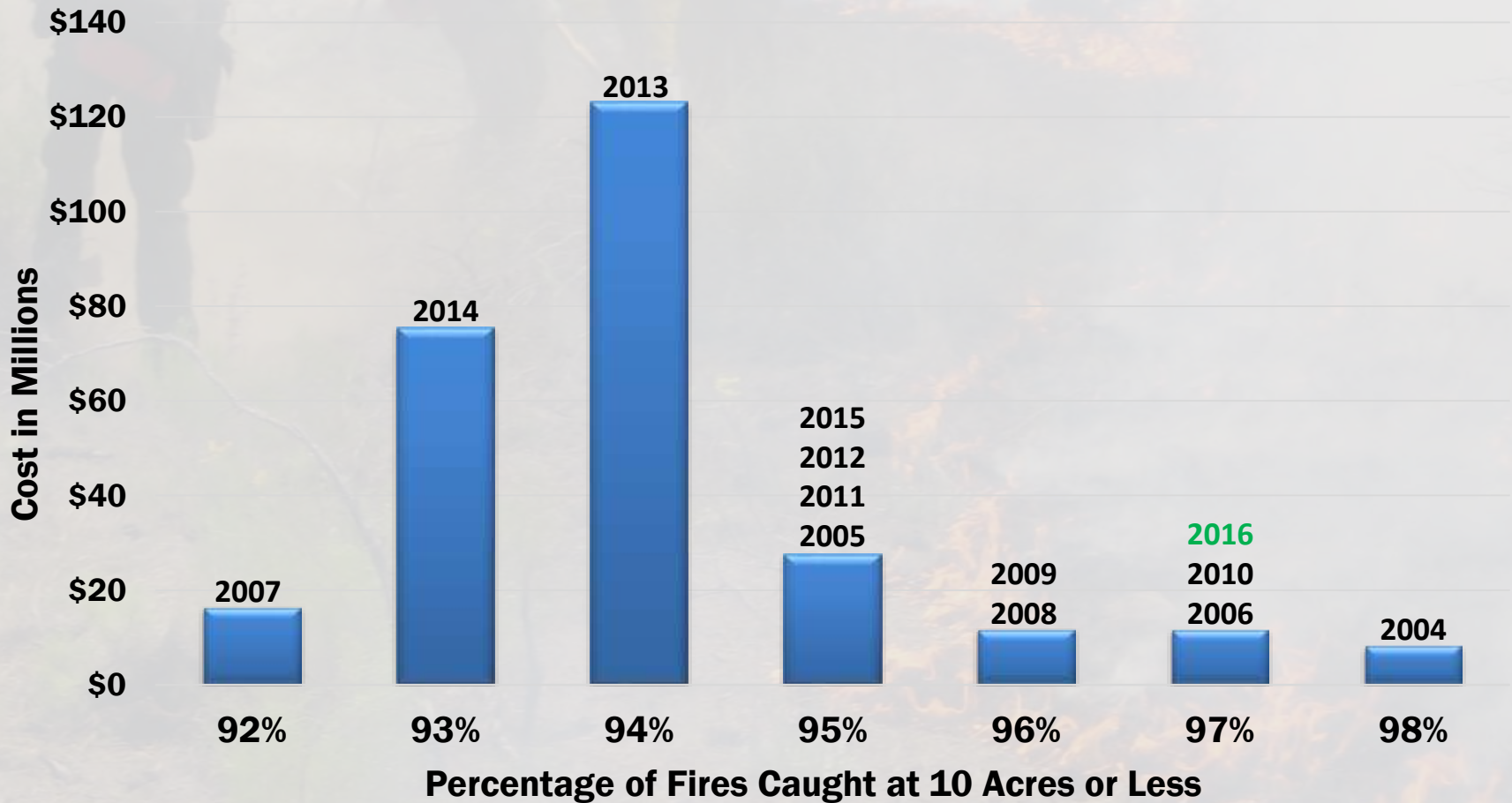
Aggressive initial attack





# Keeping fires small

# Keeping fires small means big savings



# Partnerships



# Mitigating wildfire risk



# Adequate funding





# 2017 Fire Funding Framework

**Insurance Policy**

\$25 M  
Insurance Policy

**Insurance Deductible  
\$50 Million total**

\$30 M  
State of Oregon

\$20 M  
shared  
GF & OFLPP

**Insurance Premium**

GF- 1.85M

OFLPF- 1.85 M

**Statewide Severity**

Severity \$5 million  
GF and OFLPP

**Base  
\$48 Million**

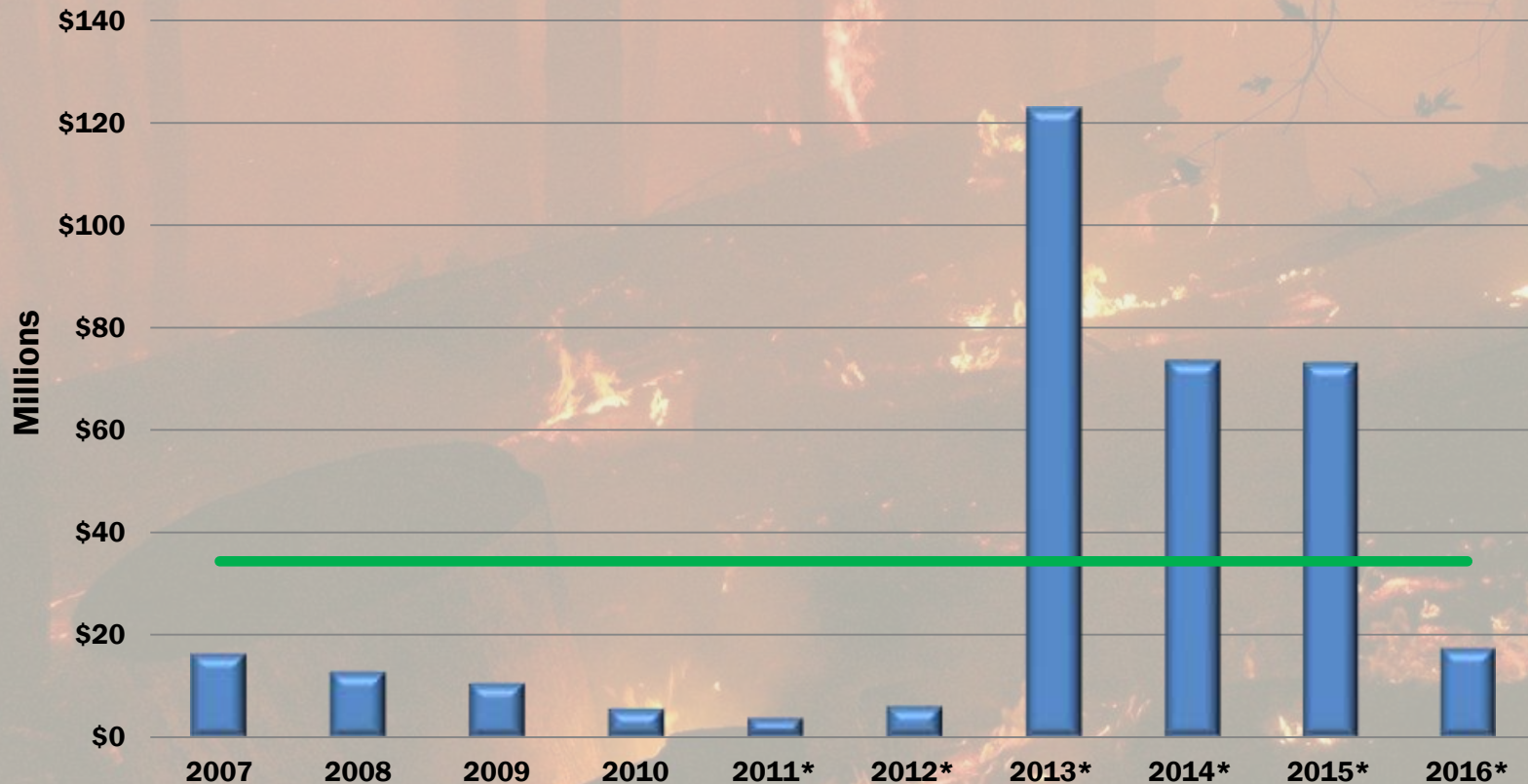
Base Level of Fire Protection  
"The Fire Department"  
GF / Private Landowner and Public Lands Assessments

\* GF – General Fund      \* OFLPP – Oregon Forest Land Protection Fund

# Large fire costs



**Actual Gross Costs. Values are by Calendar Year.**  
**10-Yr Average 2007-2016: \$34.3M**



\*includes draft claims figures

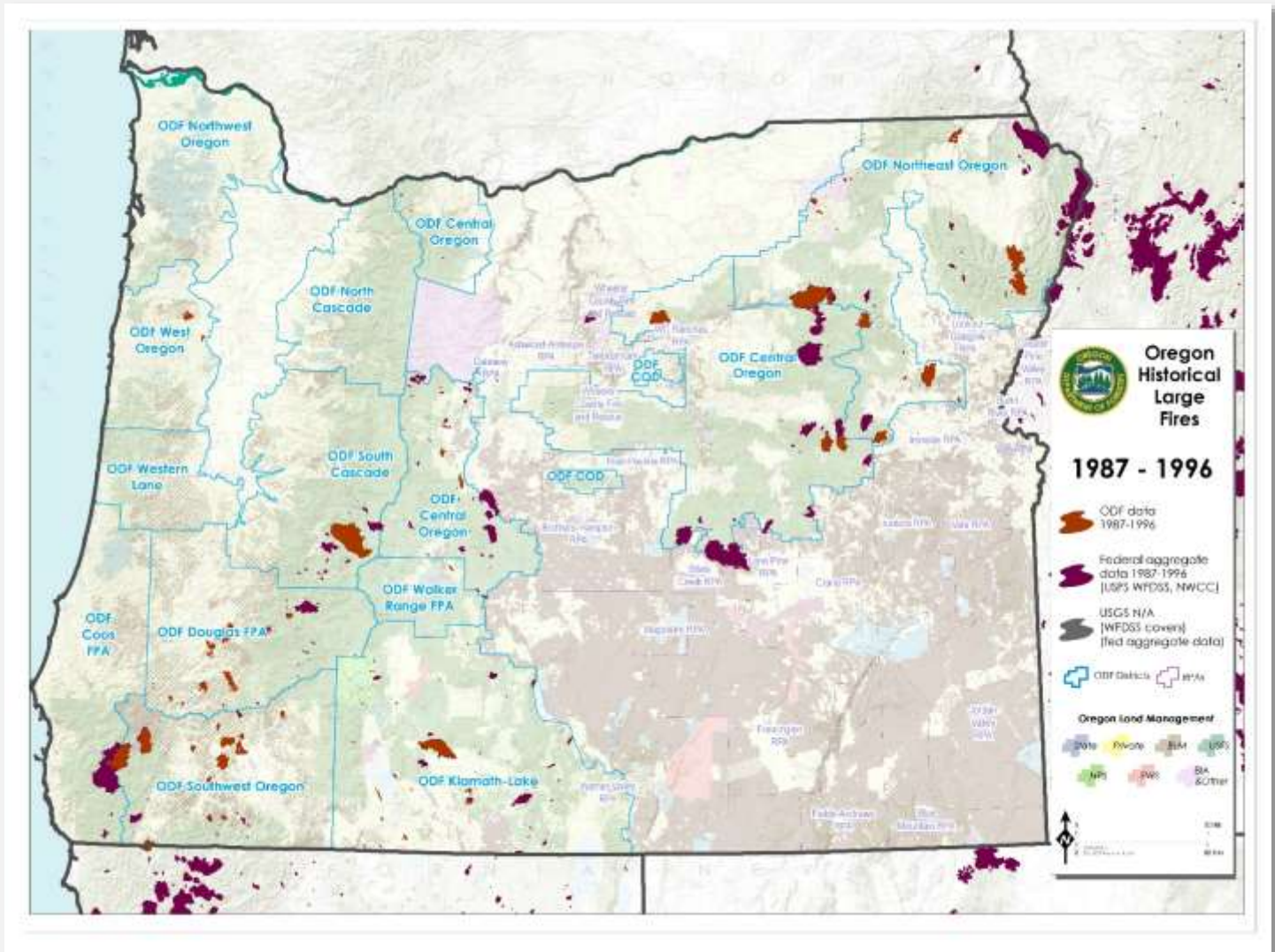


# Budget Environment and Challenges

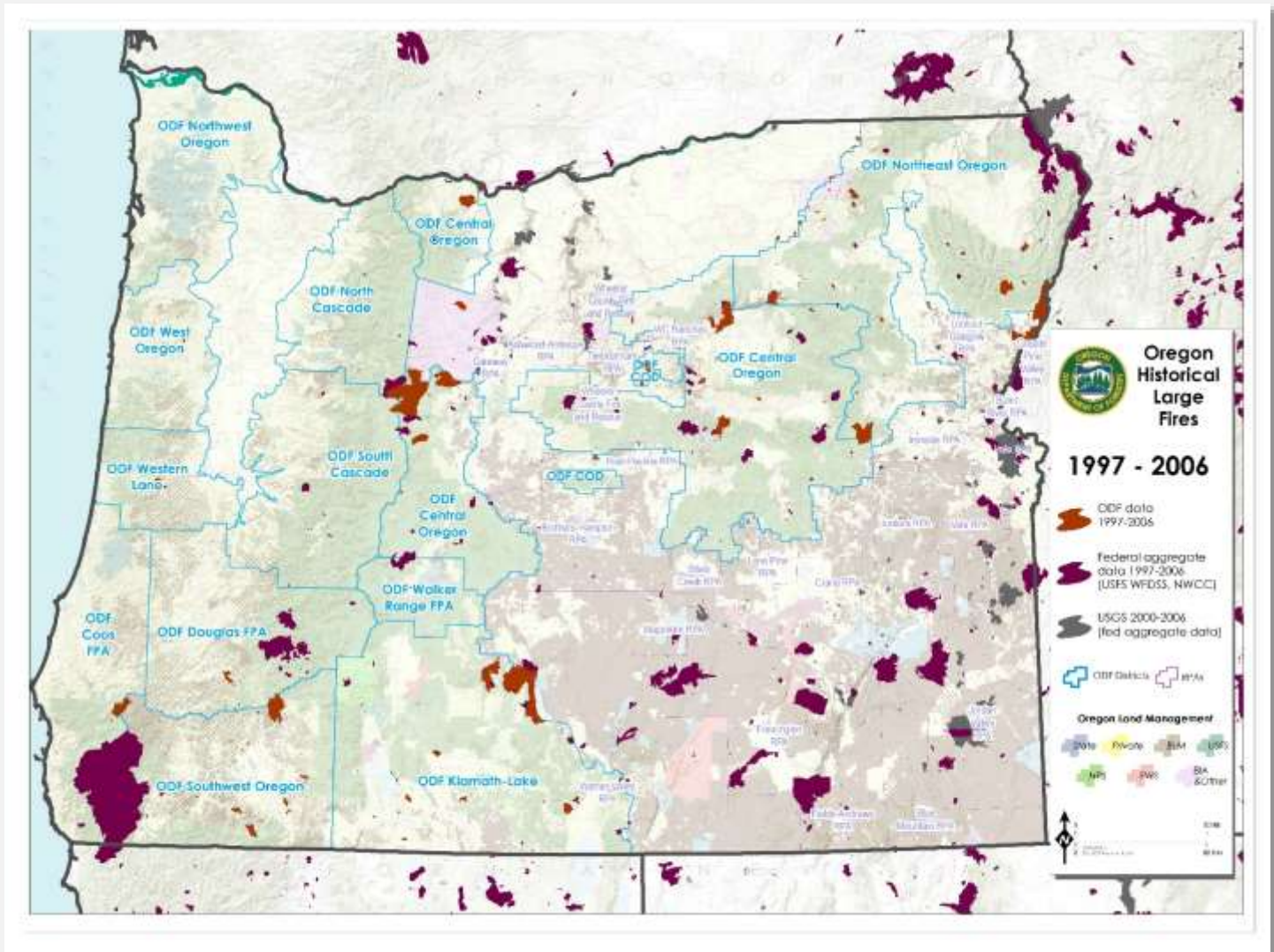




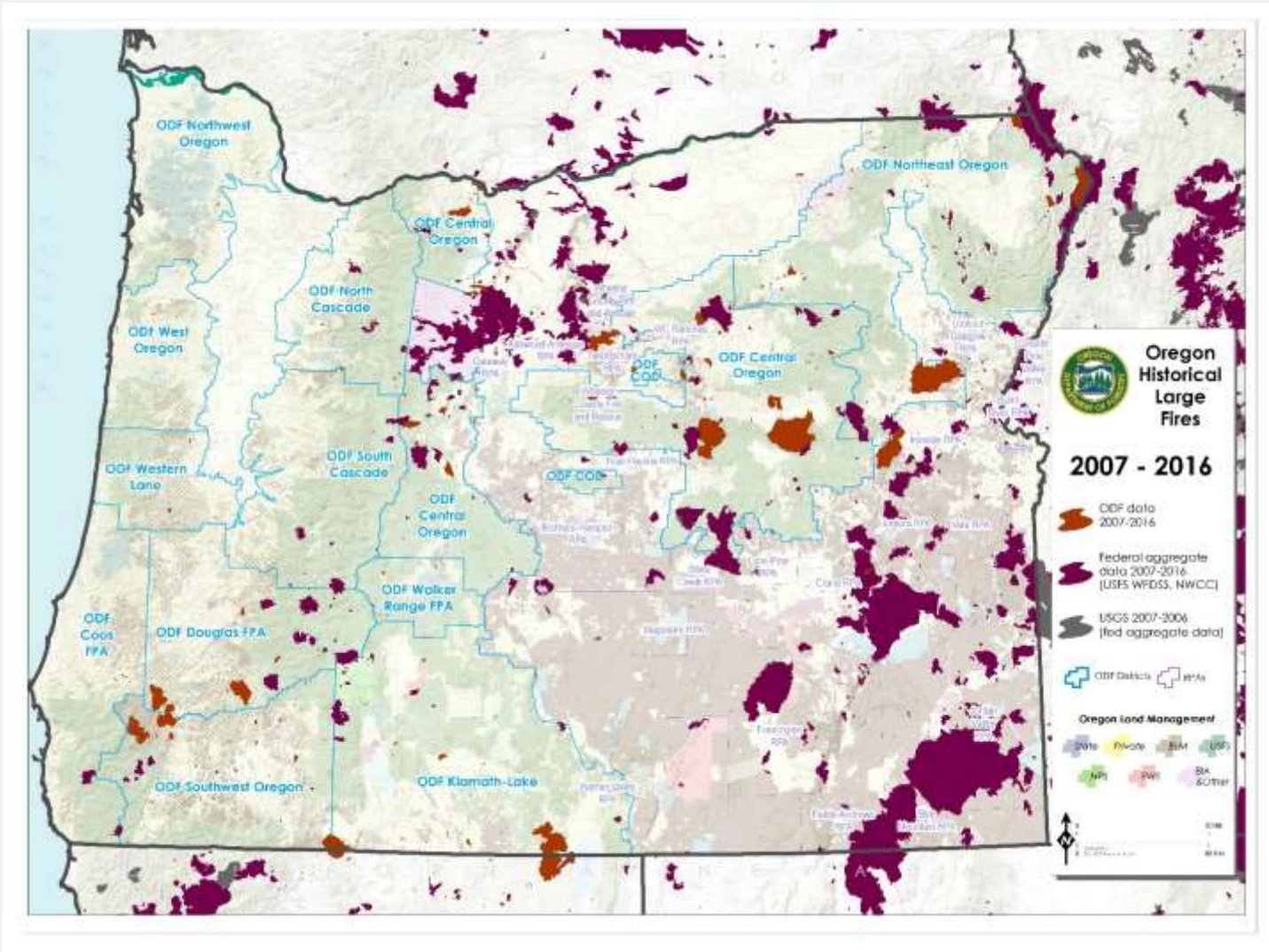
# Oregon Fire History Map 1987 - 1996



# Oregon Fire History Map 1997 - 2006



# Oregon Fire History Map 2007 - 2016



# The impacts of large fires



**Canyon Creek Fire - 2015**



**Stouts Creek Fire - 2015**



**Gold Canyon Drive Fire - 2016**



**Akawana Fire - 2016**

# Smoke management policy update



# Forest fragmentation and the wildland-urban interface



# Forest health

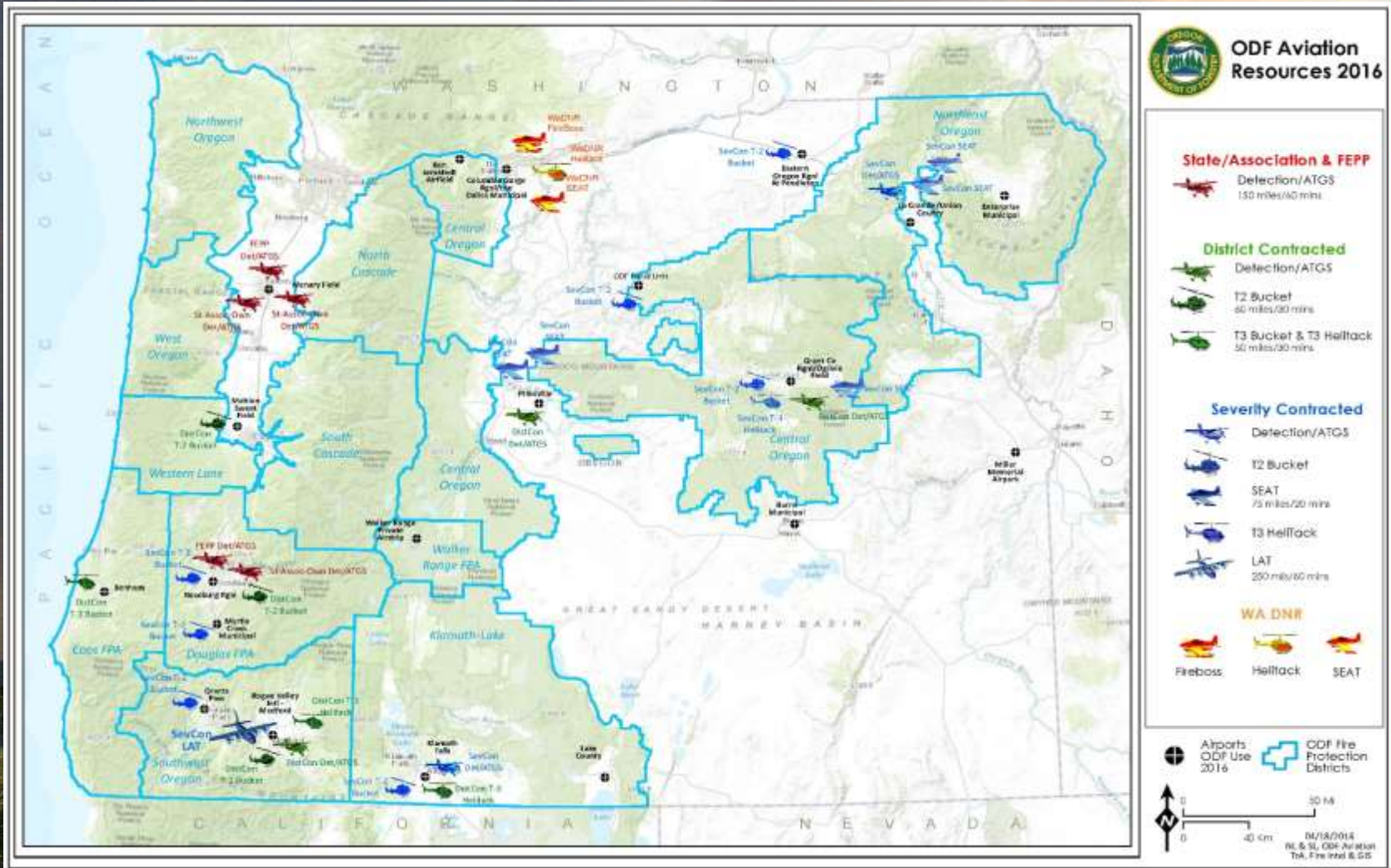


# Wildfire costs and capacity





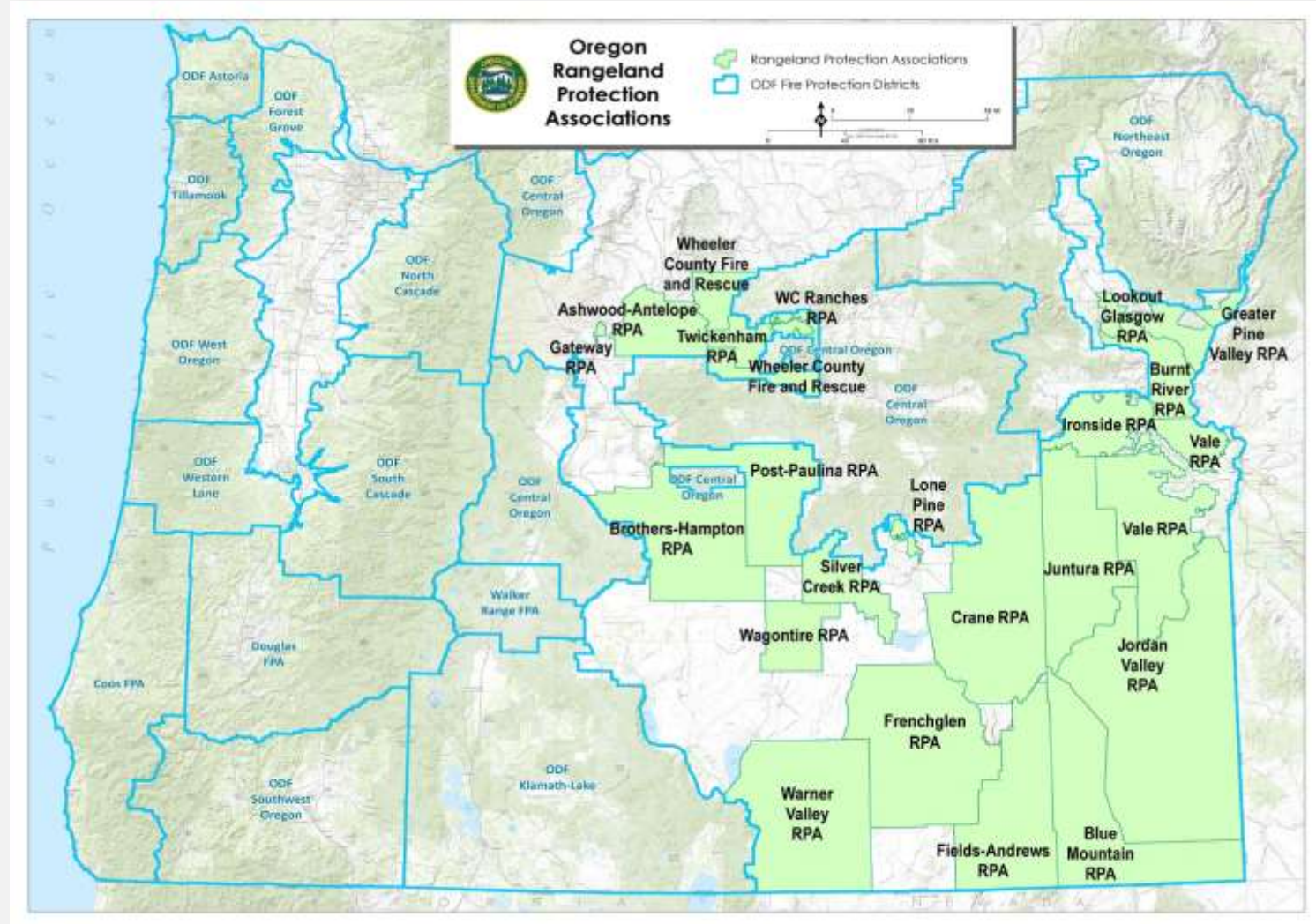
# Aviation resources including Severity



# Business and technology capacity



# Rangeland Protection Associations





# **Governor's Budget**

- **Funds base-level protection**
- **Special Purpose Appropriation**
- **Adds aviation coordinator**
- **Protects sage grouse habitat and rangeland health**
- **Reduces General Fund, Other Funds and seasonal firefighting capacity**



# Oregon's Complete & Coordinated Fire Protection System



WASHINGTON STATE DEPARTMENT OF **Natural Resources**

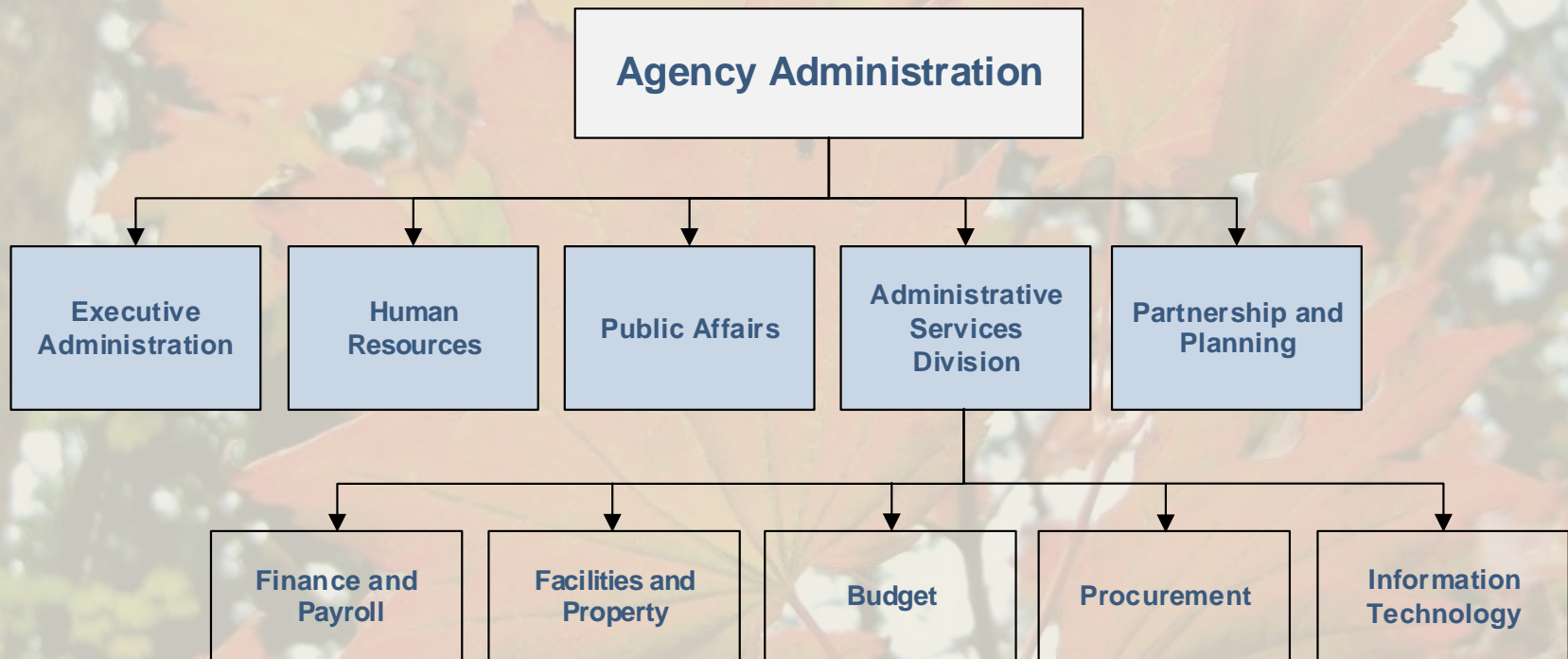
**USDA** United States Department of Agriculture





# AGENCY ADMINISTRATION

# Oregon Department of Forestry 2017-19 Agency Administration Structure





# Strategies

- Excellence in service
- Key partnerships
- Efficient program delivery
- Accountability





# Funding

**Paid by agency programs based on usage**

# Results

Recent findings from yearly survey of local policymakers and stakeholders:

- Met 100% target on overall service, accuracy, information availability, expertise, helpfulness, timeliness





# **Budget Environment and Challenges**

- **Needed workforce investments**
- **Increasing complexity; static resources**
- **Outdated business systems**
- **Aging infrastructure**

# Facilities Projects





# **Governor's Budget**

- **Reductions include temporary employees, training, replacing aging technical equipment**
- **Replacement of Toledo facility; restoration of State Forester's Office Building**

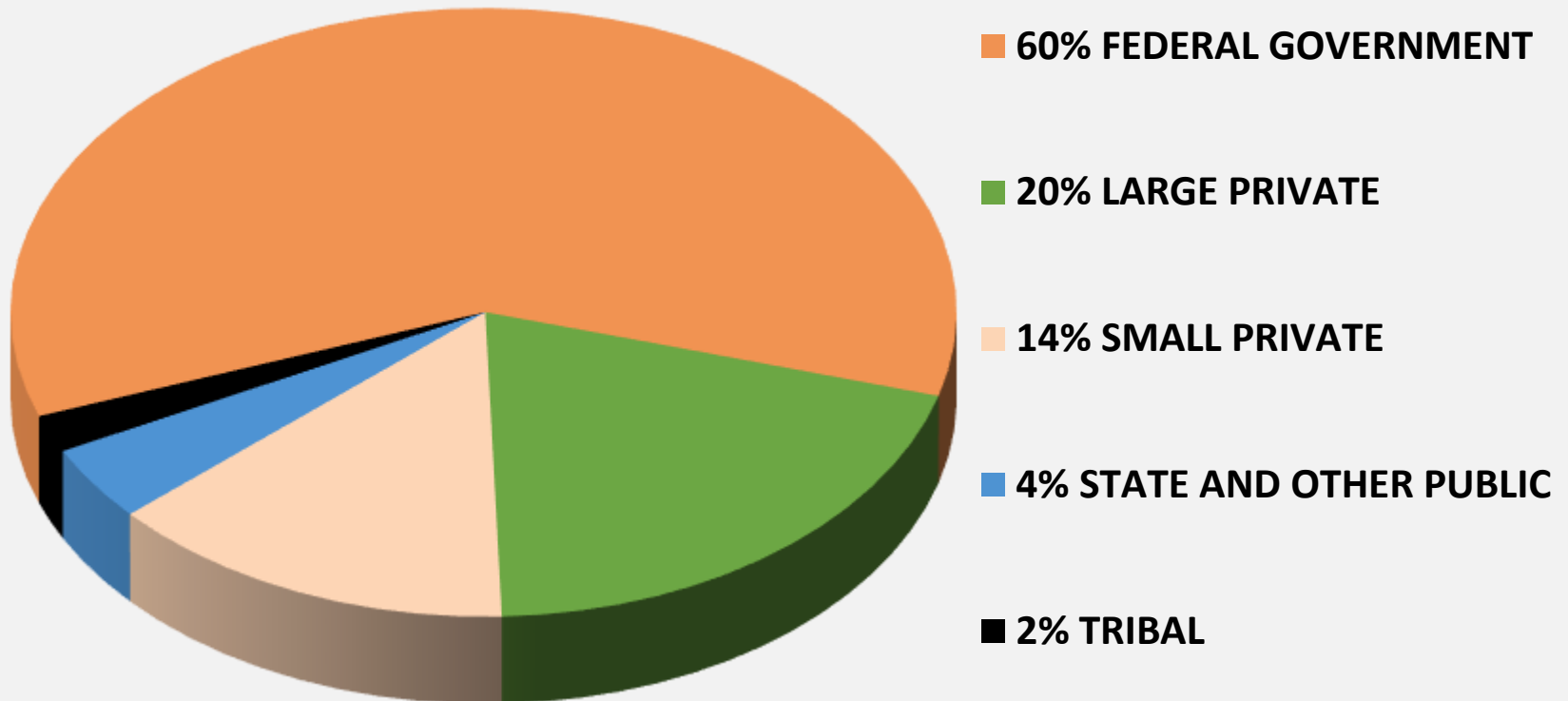




# STATE FORESTS

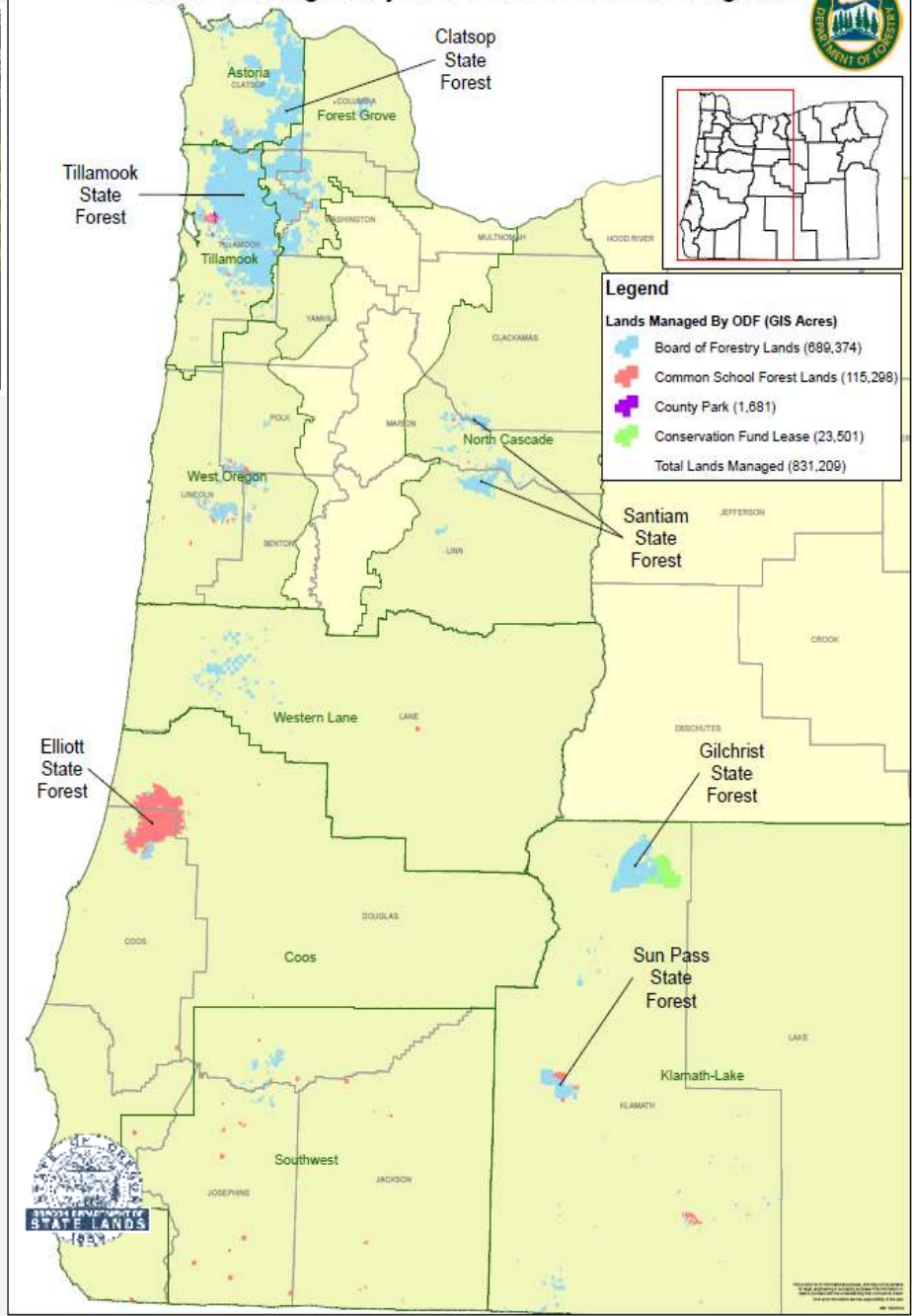


# Who Owns Oregon's Forests?





# Lands Managed by the State Forests Program



**Clatsop**



**Santiam**



**Tillamook – post fire**



**Gilchrist**



**Tillamook - present day**



**Sun Pass**



# Board of Forestry Lands

Managed for “greatest permanent value” – ORS 530.050

Healthy, productive, and sustainable forest ecosystems that over time and across the landscape provide a full range of social, economic and environmental benefits to the people of Oregon – OAR 629



# Sustainable working forests





# Fish and wildlife habitat



# Recreation opportunities





# Collaborative relationships





# Funding

- Self supporting through timber-sale revenue
- Most timber revenue goes to counties and local taxing districts



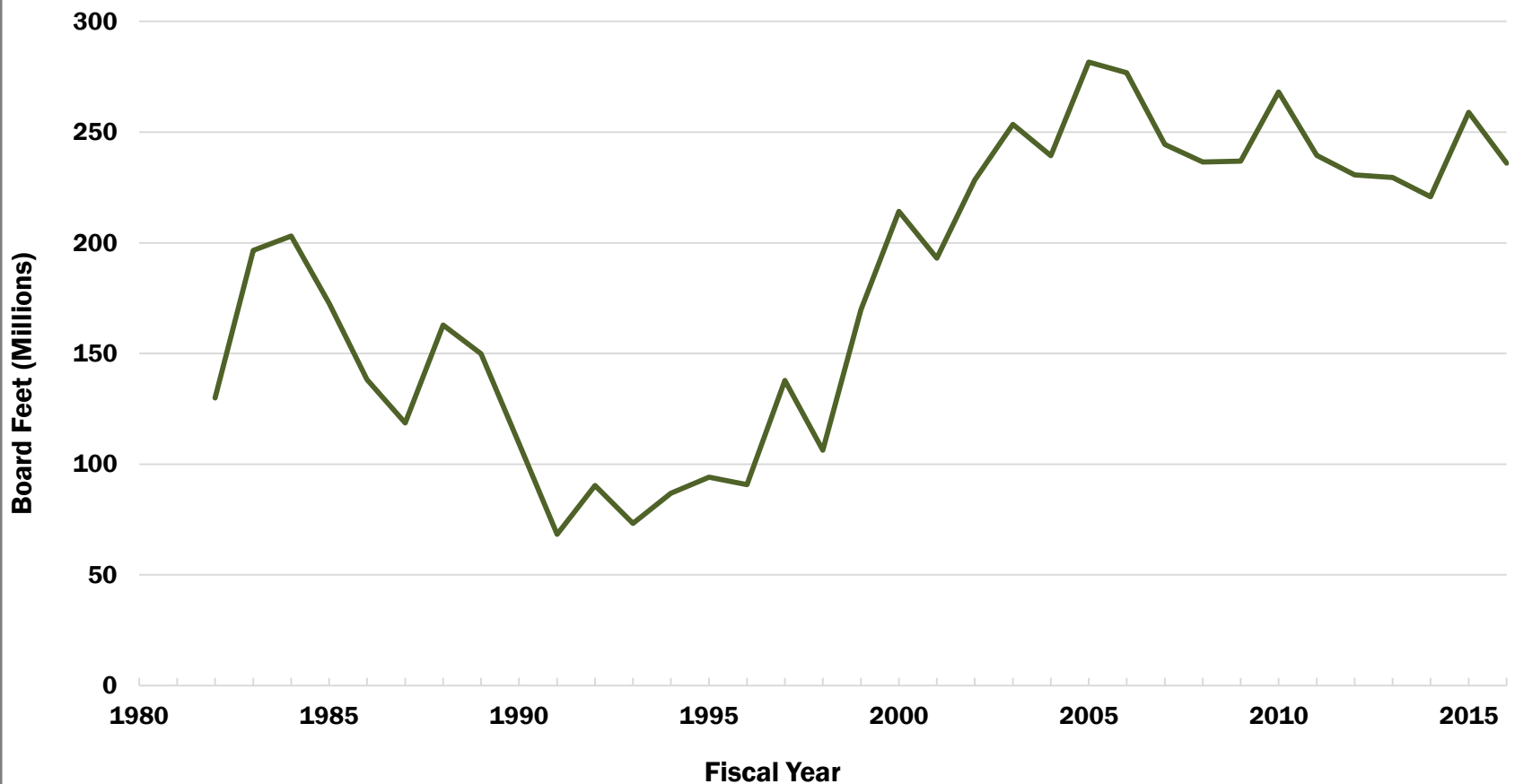
# Results



# Sustainable timber harvest for local economies



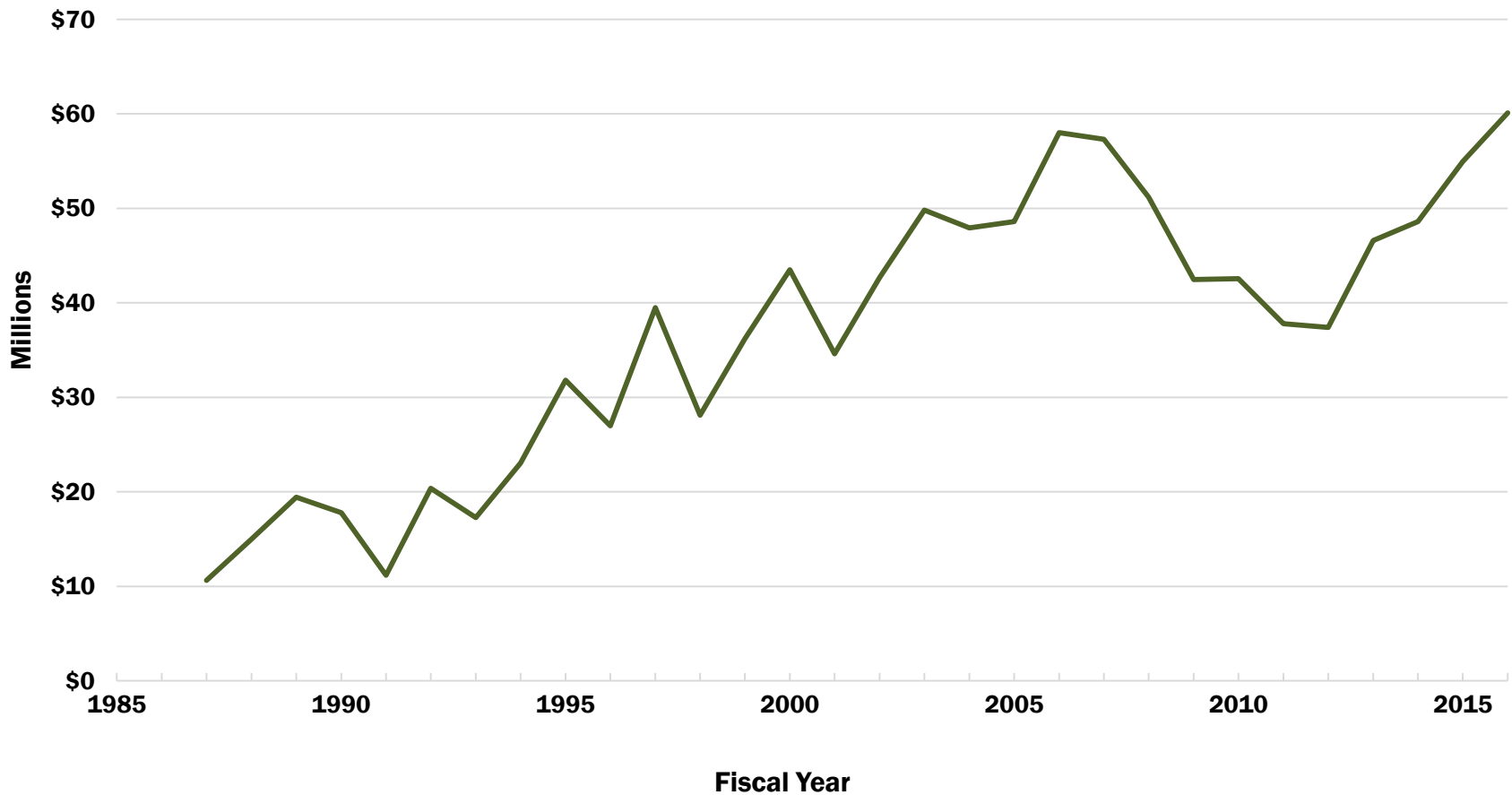
## BOF Harvest Volume



# County share of revenue to counties, local taxing districts



## Funds Distributed to Counties





# Environmental outcomes

- Designate conservation areas
- Create a range of stand types
- Restore, enhance streams
- Improve fish passage
- Maintain, improve forest roads



# Recreation, education and interpretation outcomes

- Trails – hiking, horse-riding, ATV
- Campgrounds
- Over half a million Tillamook Forest Center visitors since 2006
- Salmonberry Trail partner





# **Budget Environment and Challenges**



# Revenues

- **Self funded, almost entirely through a share of timber-sale revenue**

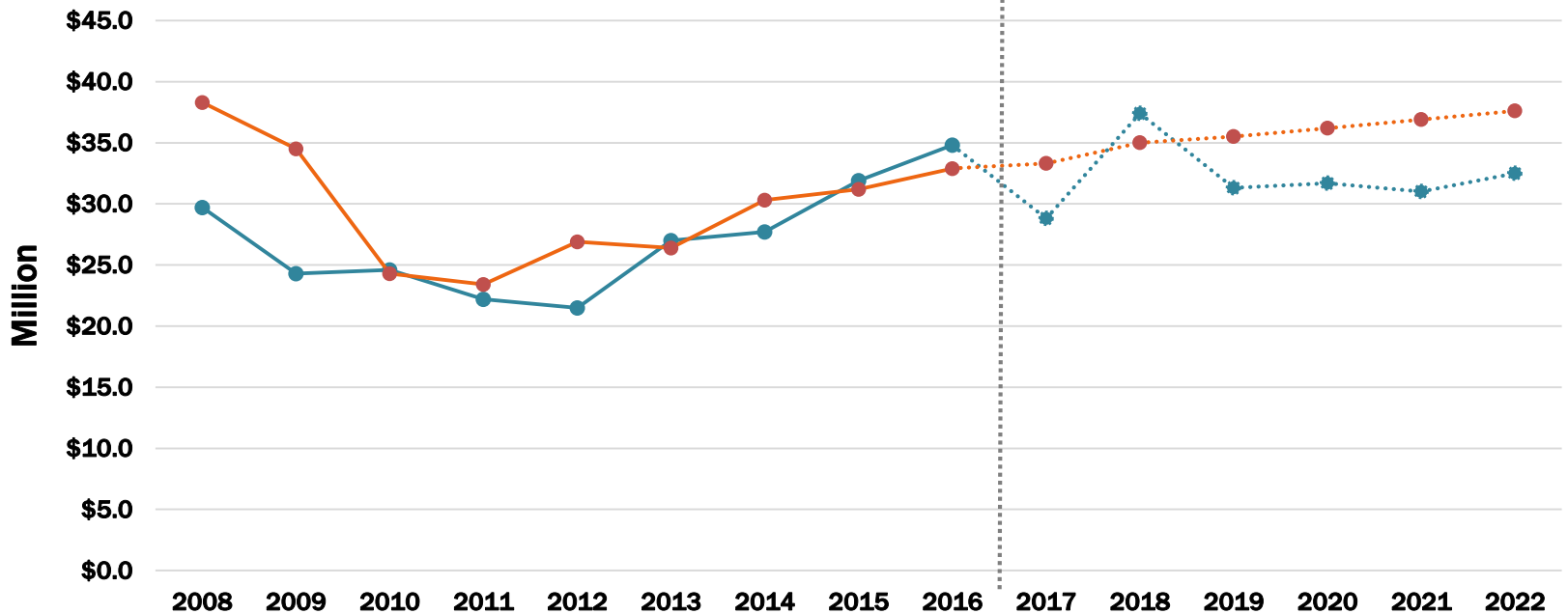
# Expenditures

- **Costs of providing greatest permanent value: timber sales, reforestation, road maintenance, resource and fire protection, recreation, education, interpretation**



# Balance between Costs and Revenues

## Revenue vs Costs



● Revenue	\$29.7	\$24.3	\$24.6	\$22.2	\$21.5	\$27.0	\$27.7	\$31.9	\$34.8	\$28.8	\$37.4	\$31.3	\$31.7	\$31.0	\$32.5
● Costs	\$38.3	\$34.5	\$24.3	\$23.4	\$26.9	\$26.4	\$30.3	\$31.2	\$32.9	\$33.3	\$35.0	\$35.5	\$36.2	\$36.9	\$37.6

State Forests financial projection (Fall 2016)



# Response to budget gap

## Short Term

- Align expenditures with revenues
- Reduce services not critical for revenue production

## Long Term

- Assess workforce structure
- Continued business improvements
- Explore alternative funding





# **Common School Forest Lands**

- **Starting July 2017, ODF will manage 35,000 acres of Common School Forest Lands**
- **Timber sale revenues to Common School Fund**
- **Management expenses are reimbursed**



# Governor's Budget

- Continues current funding structure for Board of Forestry lands
- ODF continues to explore new funding and business models





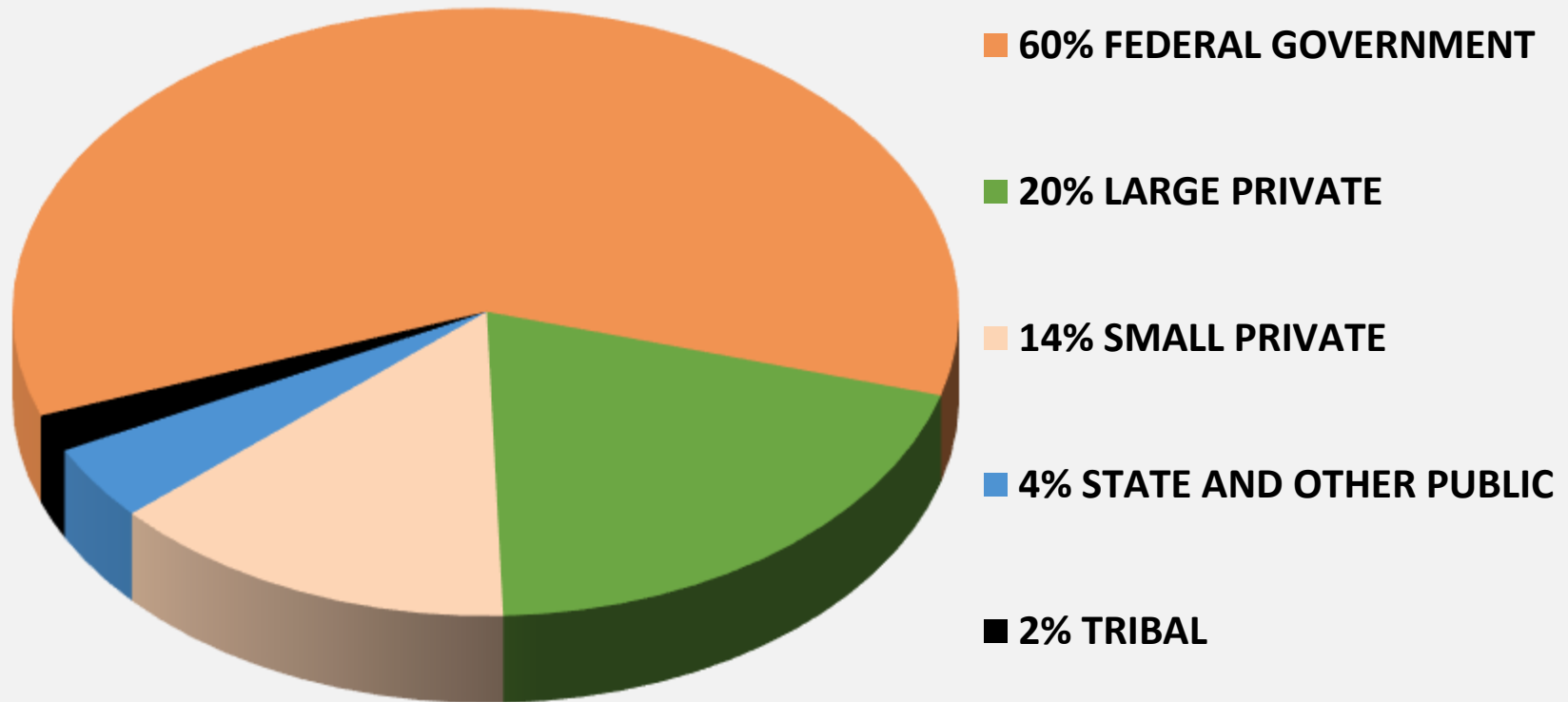
# PRIVATE FORESTS

## Purpose

**Keeping private forestlands healthy, intact, and working**

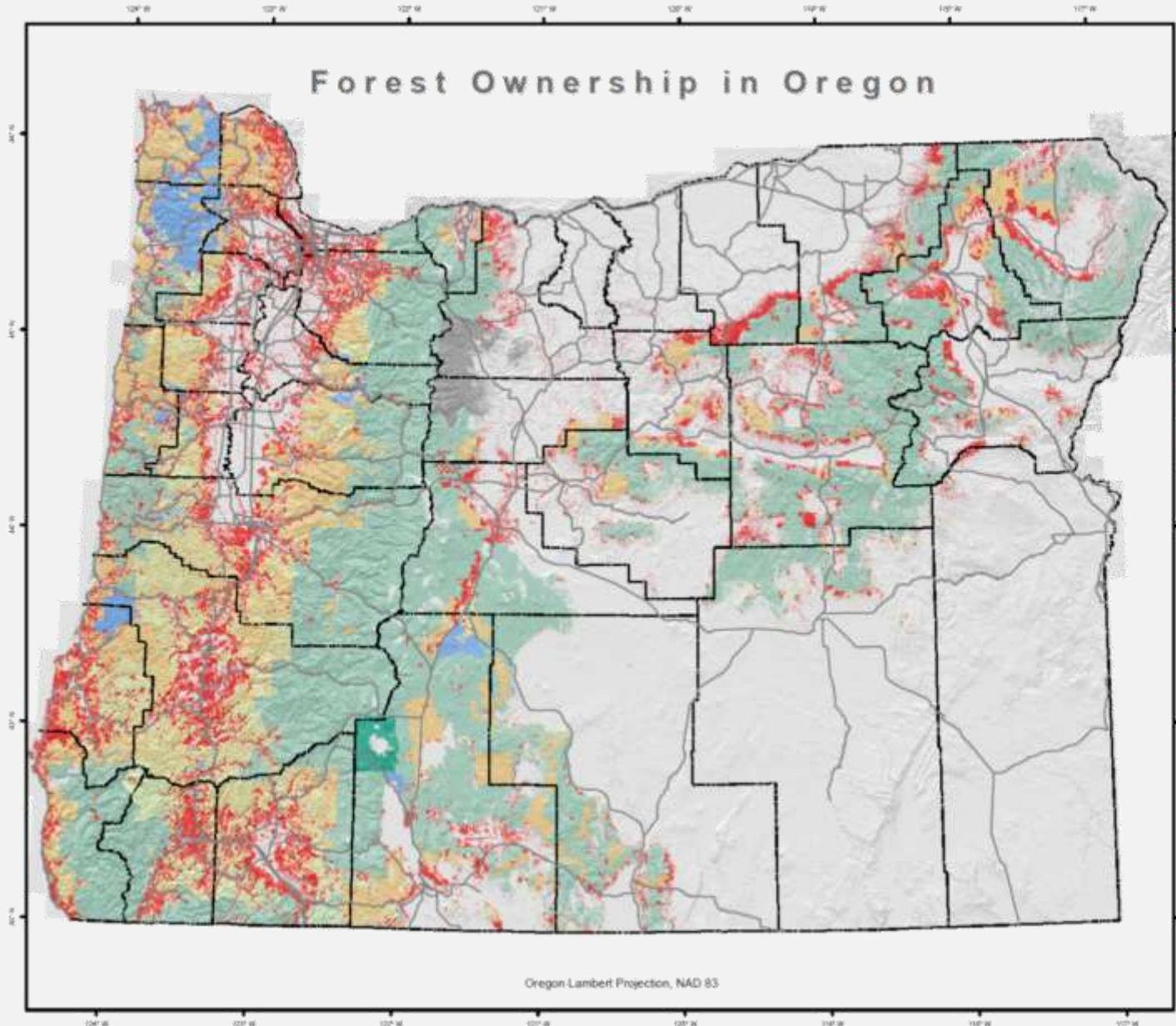


# Who Owns Oregon's Forests?





# Forest Ownership in Oregon



- Highways
- County
- Private Industrial
- Family Forestland
- State
- BLM
- National Park
- Tribal
- USFS
- Other



**Oregon**  
DEPARTMENT OF  
FORESTRY  
2000 STATE STREET  
SALEM OR 97310  
503-945-7200

Map produced by R. Miller,  
modified by M. Larson  
Source: C:\CDF\_Programs\_Data  
PrivateForests\Projects  
2017\_ForestOwnership\Map  
Map printed February 2nd, 2017

This product is for informational purposes, and  
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surveying purposes. This information or data is  
provided with the understanding that  
conclusion drawn from such information are  
the responsibility of the user.

Oregon Lambert Projection, NAD 83



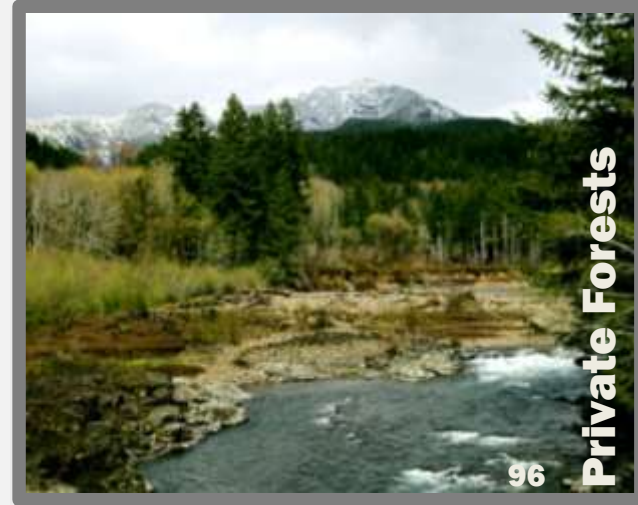
# Four sub-programs

- Oregon Forest Practices Act
- Forest Health Management
- Family Forestland Assistance
- Urban and Community Forestry

# Oregon Forest Practices Act



**Resource  
protection**







# Forest health management

Maintain and improve the health of Oregon's non-federal forests





# Family forestland assistance



Technical assistance to family forestland owners



# Urban forestry



**Help communities enhance urban health and livability**

# Strategies and Results

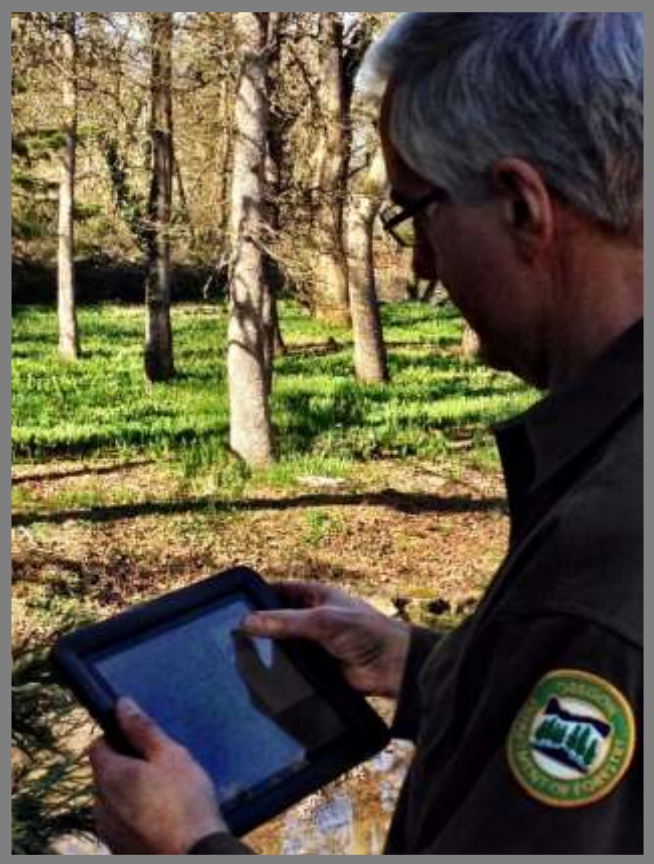


# Boots on the ground



# Inspections





**Online Notification System -  
Mobile Field Capability**



# Forest Practices compliance audit





# Effectiveness monitoring



**Survey, evaluate, and monitor forest insects and diseases**



**Provide technical advice and training on integrated pest management**

# Stewardship Foresters provide technical advice to family forestland owners



**Defrees family (Northeast Oregon):  
2016 National Outstanding  
Tree Farmers of the year**

# Stewardship Foresters play key roles in ODF's fire protection mission





**Provide technical assistance to help cities manage urban forests**





# Funding

- **Historically for Forest Practices Act, 60% General Fund, 40% Harvest Tax**
- **General Fund support for Forest Health Management leverages Federal Funds and Other Funds**
- **Family Forestland Assistance and Urban Forestry are federally funded**



# Budget Environment and Challenges

# Fragmentation





# Forest health challenges



Gorse



Emerald ash borer



# Biomass utilization



# Water quality



# Governor's Budget



- Strategic reductions
- Nine stewardship forester positions
- 10 technical specialist positions
- Sudden oak death treatment on private lands (Southern Oregon)
- Less frequent Forest Practices Act compliance audits





# Federal Forest Restoration

**Increasing pace, scale and quality**



# **Board of Forestry involvement**

- **Federal Forest Advisory Committee (2009)**
  - **Called for state funding and action**
  - **Identified collaboration as a path forward**
- **2012 subcommittee**
  - **Scoped out state funding package**



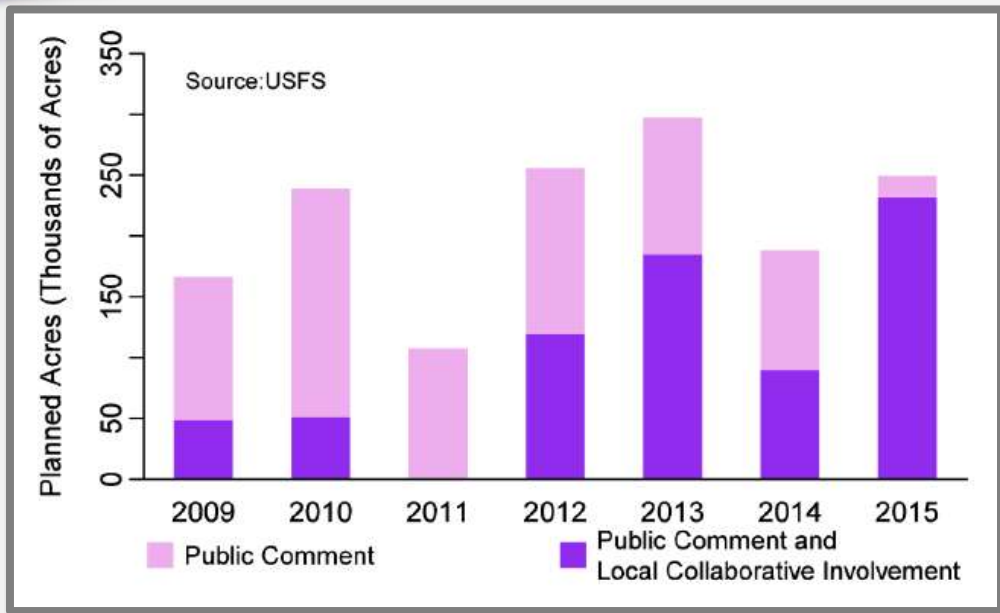
# The case for state investment

- Many eastern Oregon forests at elevated risk for uncharacteristic fire
- Economic, social costs of rural unemployment
- 6:1 return on investment
- Strong collaborative groups

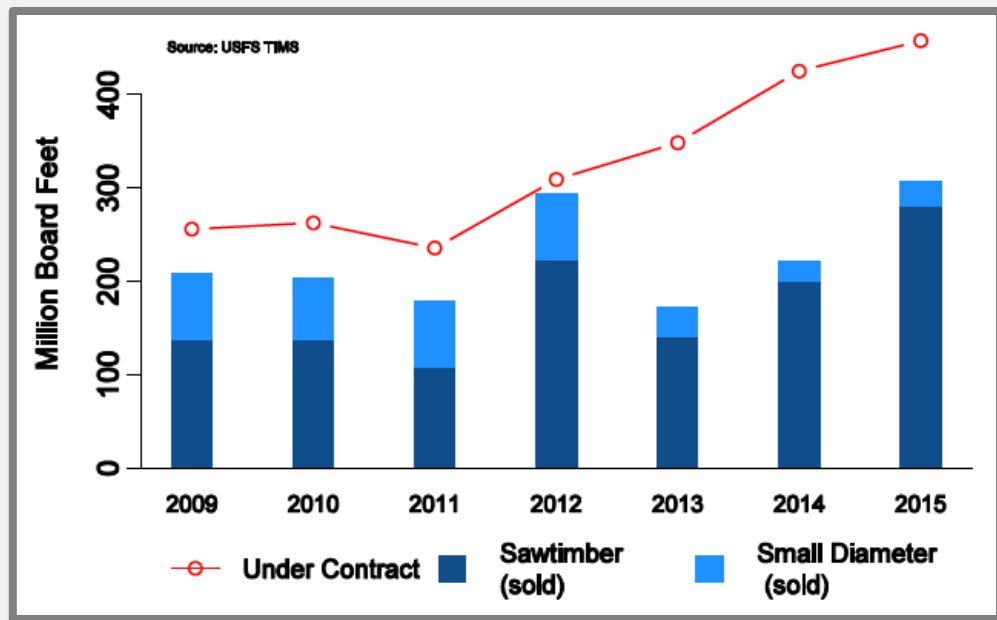




## NEPA Decision Acres Eastern Oregon NFs



## Forest Product Volume Eastern Oregon NFs





# Eastside forest restoration



**Before**



**After**

**Sisters Area Fuels Reduction Project,  
Deschutes National Forest**



## **Budget history**

- **One-time Lottery Fund commitments in 2013-15 and 2015-17**
- **2017-19 Governor's Budget: \$4.4 million**
  - *Permanent into ODF base budget*
  - *Plus \$1.5 million in limitation*



# The Oregon Model

- **Collaborative support** (increase scale)
- **Implementation partnership** (increase quality)
- **Good Neighbor Authority** (increase pace)



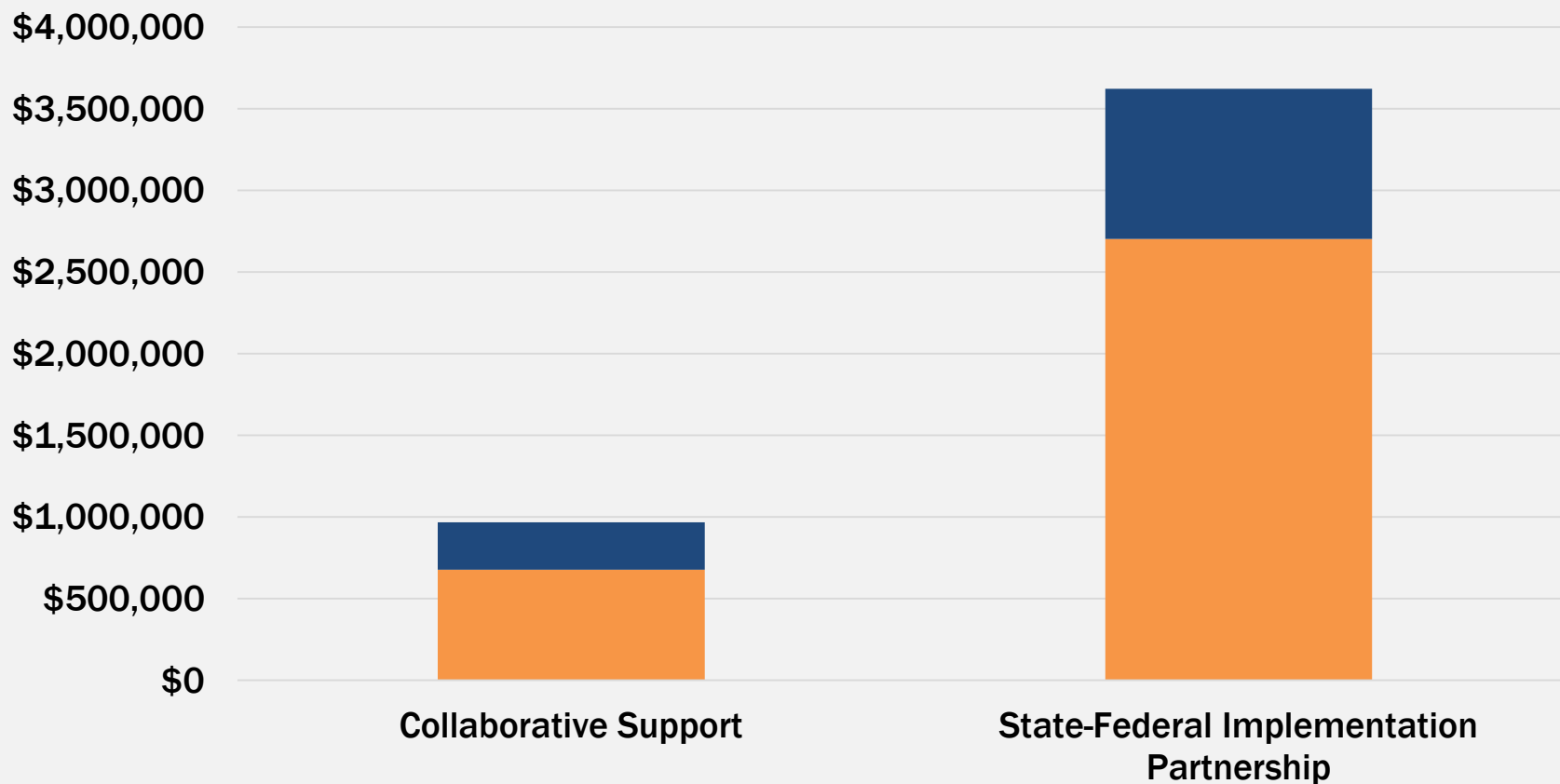
# Strategy

- **Focus on systems, not specific projects**
  - Intent is to reduce costs and create efficiencies
- **Invested in parts of many projects**
  - Active on all **11 National Forests & 4 BLM Districts**
- **Difficult to easily relay results in short timeframe**



# Committed Funds 2016-2017

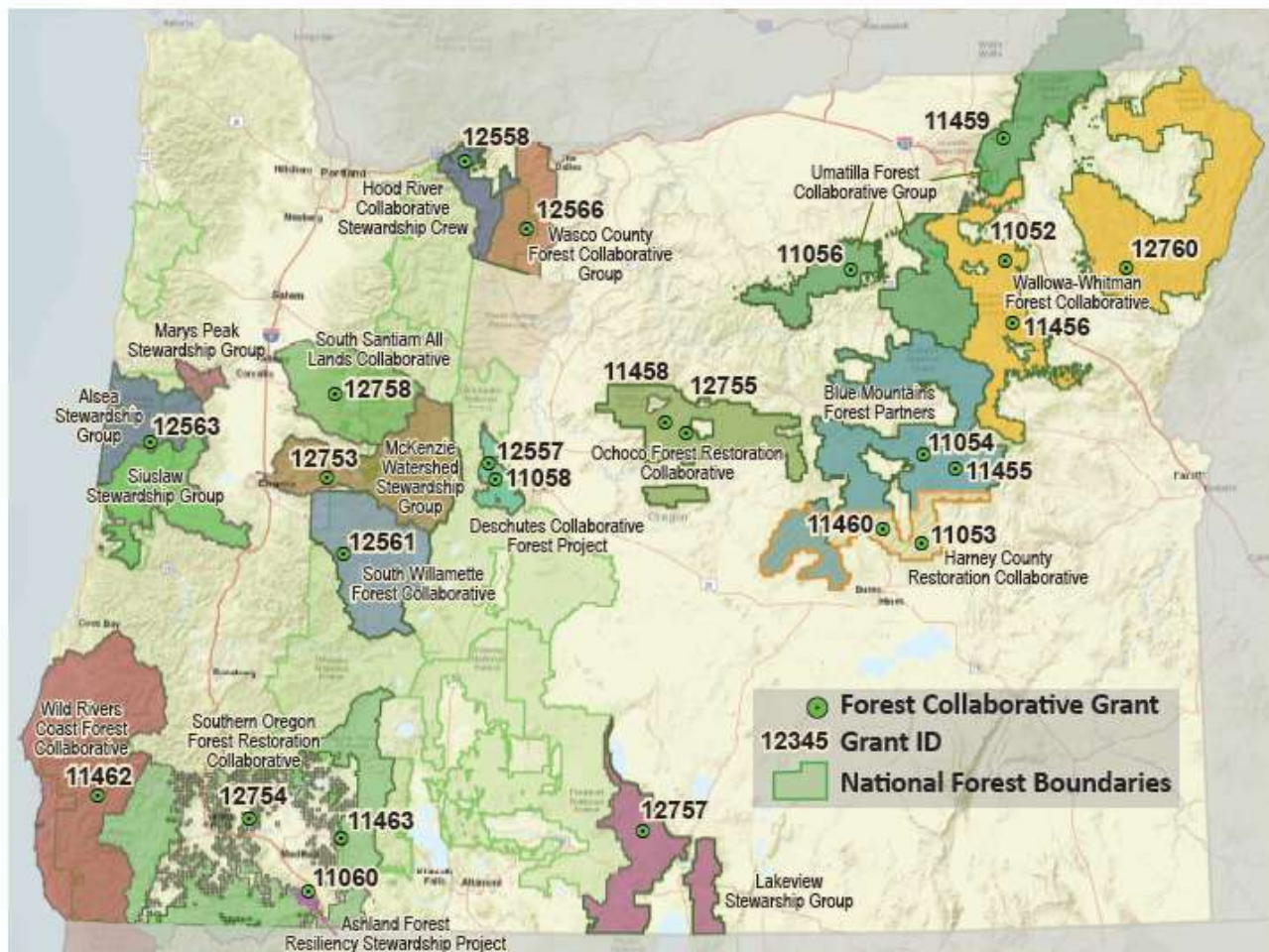
■ Eastern Oregon    ■ Western Oregon





# Collaborative Support

## State Grant Investments in Forest Collaboratives

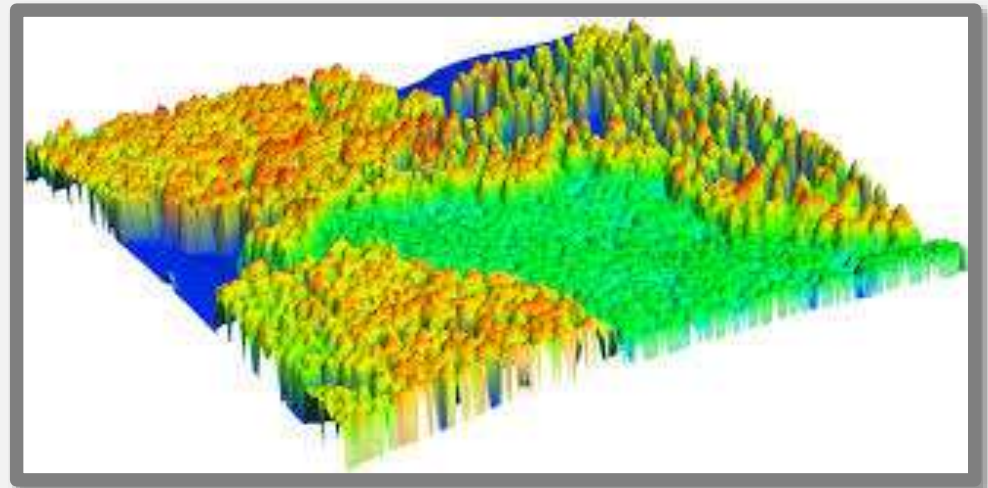




# Implementation Partnership

## Data collection

- Canyon Creek Salvage, Malheur National Forest
- State funds: LiDAR pre- and post-treatments
- 4 million board feet of timber harvested to date



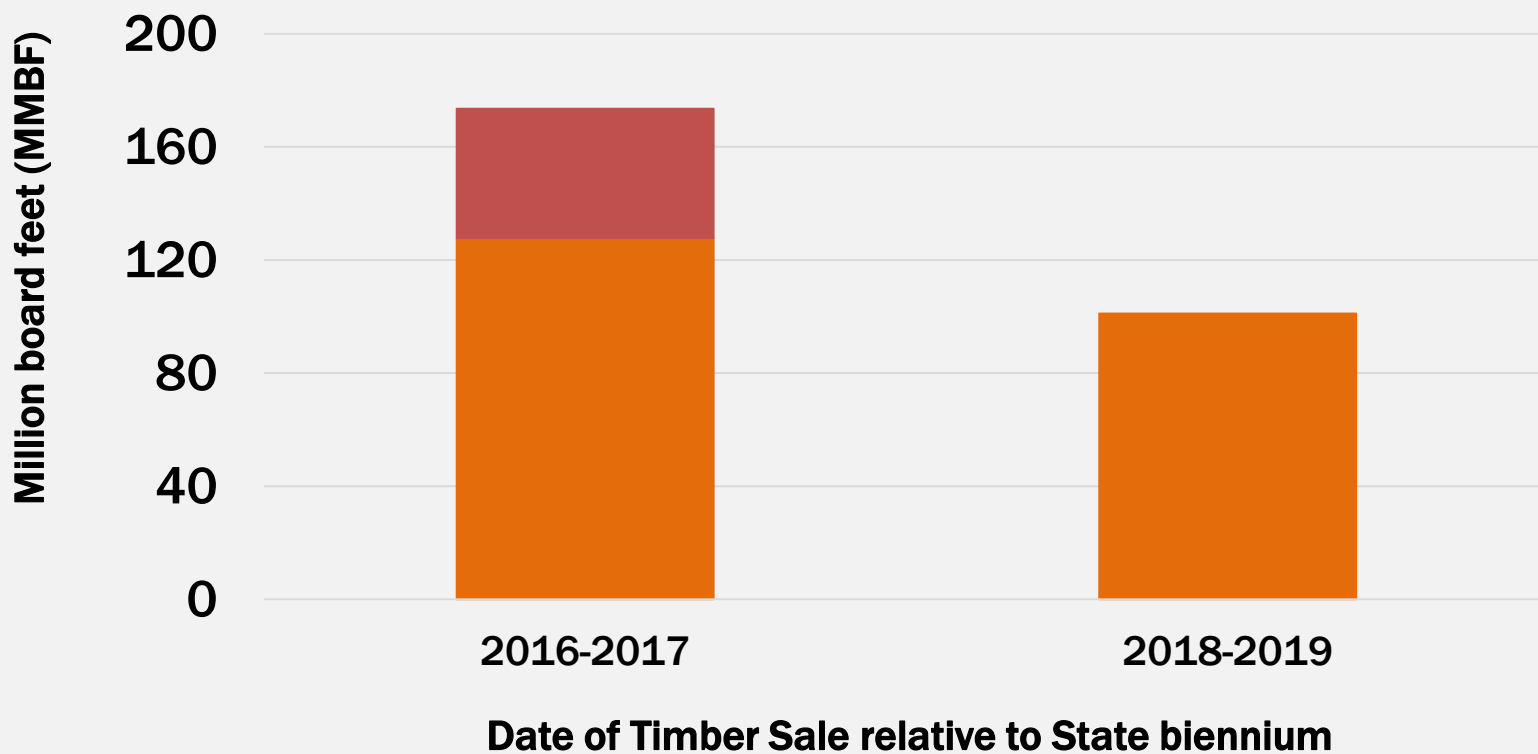




# Pre-sale layout

Federal Timber Sales assisted w/ FFR funds

- Green
- Salvage



# Good Neighbor Authority



Allows the State to act as an agent of the Secretary to carry out *'authorized forest, rangeland, and watershed restoration services'* on *National Forests*.

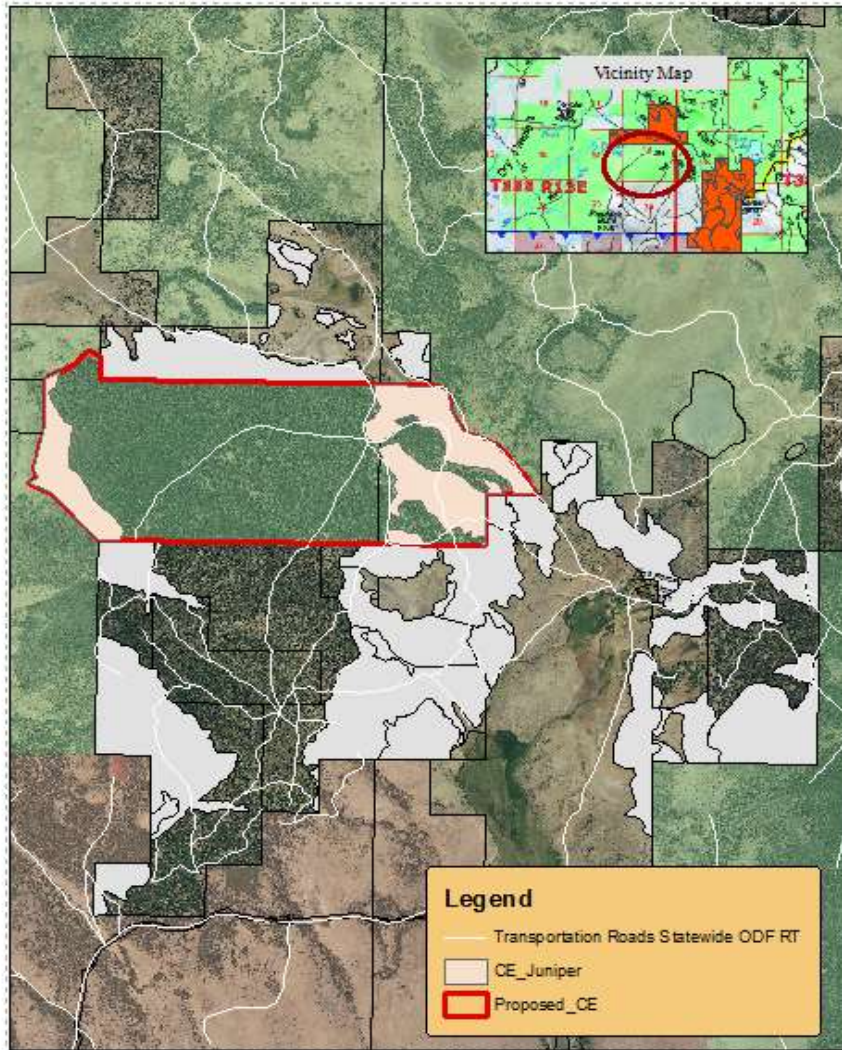
Master Agreement between State of Oregon and USFS signed in March 2016.



# Active Good Neighbor Projects

- Crooked Mud Honey Fuels Reduction Project
- Blue Jay Timber Sale

*Proposed Categorical Exclusion ~ ODF GNA*



## Proposed Paddock Butte Project

- Fremont-Winema National Forest
- First timber sale ODF to administer for USFS





# 2018-19 Focus

- Make program part of core business
- Fully activate Good Neighbor Authority
- Link federal and private lands treatments
- Expand restoration beyond fire focus



# CLOSING THOUGHTS



**Thank you**



**Peter Daugherty, State Forester**

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