

## **HB 4118 -6 STAFF MEASURE SUMMARY**

### **House Committee On Agriculture and Natural Resources**

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**Prepared By:** Laura Kentnesse, LPRO Analyst

**Sub-Referral To:** Joint Committee On Legislative Audits

**Meeting Dates:** 2/13, 2/15

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#### **WHAT THE MEASURE DOES:**

Requires the Governor to review the terms of the Good Neighbor Authority Agreement (Agreement). Requires the Governor to work with the United States Forest Service (USFS) to give priority to projects that produce increased timber harvest volumes, are self-sustaining, and maximize financial return for Oregon. Requires the Governor and the Portland State University Oregon Solutions Federal Forest Working Group to jointly develop recommendations for Agreement goals, and to report the recommendations to the Legislative Assembly by March 1, 2019. Requires the Secretary of State to conduct an audit of Oregon Department of Forestry (ODF) expenditures or obligations of certain lottery money allocations for purposes related to federal forestland projects, and to attempt to obtain related information from the USFS or United States Bureau of Land Management. Specifies additional information that the audit must attempt to provide concerning projects or parts of projects for which ODF expended or obligated moneys. Requires that the Secretary of State report the audit results to the Legislative Assembly by March 1, 2019. Allocates \$500,000 of lottery funds to ODF for supporting the development, planning, or implementation of priority projects on federal forestland under the Agreement. Declares emergency, effective on passage.

*REVENUE: No revenue impact*

*FISCAL: May have fiscal impact, no statement yet issued*

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-6 Replaces the measure. Defines terms. Declares it is the policy of the state to pursue projects under the Good Neighbor Authority Agreement (Agreement) that increase timber harvest volume, contribute to job creation, reduce wildfire risks to all lands, improve wildlife habitat and watershed health, and stimulate local economies. Requires the Oregon Department of Forestry (ODF) and Oregon Department of Fish and Wildlife to work with federal land management agencies to give priority to projects that consist of additive activities, maximize economic benefit to Oregon, and recover state agency costs of project implementation. Requires the Governor and Portland State University Oregon Solutions Federal Forest Working Group to jointly develop specific recommendations regarding Agreement goals, and to report the recommendations to the Legislative Assembly by March 1, 2019. Allocates \$500,000 of lottery funds to ODF for supporting the development, planning, or implementation of priority projects on federal forestland under the Agreement. Declares emergency, effective on passage.

*REVENUE: No revenue impact*

*FISCAL: May have fiscal impact, no statement yet issued*

#### **BACKGROUND:**

The Good Neighbor Authority (GNA) allows the United States Forest Service (USFS) to enter into cooperative agreements with states to allow states to perform forest management and watershed restoration services on National Forest System lands. Congress recently passed two laws expanding GNA: the Fiscal Year 2014 Appropriations Act, which is scheduled to sunset in September 2018, and the 2014 Farm Bill, which gives permanent authority.

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A Master Agreement between the State of Oregon and the USFS was signed by the Governor, Oregon Department of Forestry (ODF), Oregon Department of Fish and Wildlife (ODFW), and USFS Region 6 in March 2016. The agreement provides the framework for cooperative project efforts. It provides formal authorization for putting local projects into action as part of a statewide effort, allowing federal funds to be used by state agency staff or contractors to advance work directly on federal public land and leverage state and other dollars. The agreement allows the state, USFS, and local partners to work across ownership boundaries to focus on statewide results rather than jurisdictional or regulatory limitations.

To date, ODF and the USFS have developed six local project-level agreements across Oregon that benefit both agencies, including: timber and restoration work such as monitoring, inspections, thinning, logging, and juniper cutting in the Fremont-Winema National Forest, hazardous fuels reduction in the Malheur National Forest, wildland urban interface fuels reduction in the Deschutes National Forest, and thinning and presale layouts in the Mount Hood National Forest. A notable Fremont-Winema National Forest project is the Paddock Butte project, Oregon's first GNA timber sale. ODF will administer the timber sale and use the revenue to complete future restoration work, including activity fuels treatment, road maintenance and decommissioning, juniper removal, and noxious weed treatment. The GNA has authorized a transfer of more than one million dollars of federal funds to the state to complete ODF work on federal land.

ODFW and the USFS have developed eight local project-level agreements to date, including: winter range fire restoration, a white nose syndrome survey, a road decommissioning project and hiring of a wildlife inventory specialist in the Wallowa-Whitman National Forest, mule deer habitat thinning, aspen stand restoration, and fish passage efforts in the Malheur National Forest, as well as fish passage work in the Umatilla National Forest.