

Analysis

Item 51: Department of Forestry

Good Neighbor Authority

Analyst: Matt Stayner

Request: Increase the Federal Funds expenditure limitation for the Oregon Department of Forestry by \$1,800,000 for cooperative work under the federal Good Neighbor Authority program

Analysis: Increased available federal funding under the Good Neighbor Authority (GNA) has allowed the Oregon Department of Forestry (ODF) to expand the size and scope of GNA projects in Oregon. The Good Neighbor Authority Program allows federal land management agencies to transfer funding to state agencies for the management and implementation of forest restoration projects on federal lands. ODF implements GNA projects with the U.S. Forest Service and the Bureau of Land Management under a Master Good Neighbor Agreement. These projects include pre-commercial thinning, timber sale layout, fuels reduction, road building and maintenance, and timber sales. General Fund in the program typically supports ongoing programmatic positions and project management whereas the federal funding typically supports contracted services and seasonal workers providing commercial and employment opportunities in rural areas of the state.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board increase the Federal Funds expenditure limitation for the Oregon Department of Forestry by \$1,800,000 for cooperative work under the federal Good Neighbor Authority program.

Request: Increase Federal Funds expenditure limitation by \$1,800,000 to facilitate the increasing workload associated with Good Neighbor Authority projects for the 2019-21 biennium.

Recommendation: Approve the request.

Discussion: Created in the 2014 Farm Bill and expanded in the 2018 Farm Bill, the Good Neighbor Authority (GNA) allows federal land management agencies to enter into agreements with state forestry agencies to provide land management work to keep forests safe and healthy. This work is currently performed under a Master GNA Agreement with the United States Forest Service (USFS) and a project-level agreement with the Bureau of Land Management (BLM). Currently, the Department has 27 open agreements with USFS and one with BLM for forest restoration work. These agreements represent \$15.4 million in projects, a 42 percent increase from amounts expected to be received.

The increase in workload under the agreements with federal land management agencies has created the need for additional Federal Funds expenditure limitation. An increase of \$1,800,000 Federal Funds expenditure limitation should allow the Department to utilize funding available from the GNA for the remainder of the 2019-21 biennium.

Legal Reference: Increase the Federal Funds expenditure limitation established by chapter 664, section 4(4), Oregon Laws 2019, for the Oregon Department of Forestry, Private Forests, by \$1,800,000 for the 2019-21 biennium.



Oregon

Kate Brown, Governor

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September 4, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

RE: Oregon Department of Forestry - Federal Funds Limitation Increase Request

Dear Co-Chairpersons:

Nature of the Request

The Oregon Department of Forestry (ODF) respectfully requests an increase of \$1,800,000 in Federal Funds Limitation to facilitate an increasing workload related to Good Neighbor Authority (GNA) projects managed by the Federal Initiatives Unit (FIU) for the 2019-21 biennium.

Agency Action

The Good Neighbor Authority (GNA) was authorized under the 2014 Farm Bill, which allows federal land management agencies to enter into agreements with state agencies for implementation of forest restoration projects on federal lands. This allows the transfer of federal funds from federal land management agencies to ODF to complete this work. ODF and the U.S. Forest Service have developed many project-level agreements since March 2016 under a Master Good Neighbor Agreement that authorizes work under the GNA in Oregon. Since 2016, ODF has also entered into project-level GNA agreements with the Bureau of Land Management (BLM).

ODF requested funding authority within our administrative unit during AY 01-03 to expend federal funds due to the growth of our federal grant program. The original allocation for the partial biennium was \$80,000 and for the following full biennium was increased to \$688,000. This level of allotment stayed consistent until AY 09-11 when ODF received increased funding due to the federal American Recovery and Reinvestment Act (ARRA) grant program. Subsequently, our allotment increased to \$1,204,000 for AY 11 and then to \$1,975,00 for AY 13. The Federal Initiatives Unit (FIU), housed under the Partnership and Planning Program, was formed to increase administrative support for management of federal funds. In AY 19 the allotment increased to \$2,633,000 due to the increase in available federal funding.

Currently, ODF has 27 GNA agreements with 10 national forests and one BLM district for forest restoration project work. The total amount of federal funds currently under GNA agreements across the state is \$15.4 million, which is up \$6.4 million (42%) from August 2019. The increase in size, scope, and funds associated with these GNA projects over the past year is the reason for the requested increase of the Federal Funds Limitation. The additional \$1.8 million in Federal Funds Limitation is based on the forecasted spending through the remainder of the biennium.

Summary

The rapid increase of the work under agreement between ODF and the federal land management agencies in Oregon is the primary reason for this request. In addition, the 11% reduction in ODF's Federal Forest Restoration Program's General Fund allocation for this biennium has increased forecasted utilization of federal funds for the remainder of the 2019-21 biennium.

Action Requested

The department respectfully requests an increase of \$1,800,000 in Federal Funds Limitation to complete the workload related to Good Neighbor Authority projects managed by the Federal Initiatives Unit for the 2019-21 biennium.

Legislation Affected

HB 5019, Chapter 664, section 4 (1), Oregon Laws 2019

Thank you for considering this request.

Sincerely,



Bill Herber

Deputy Director for Administration

- c. Jason Miner, Governor's Office
Board of Forestry
Matt Stayner, Legislative Fiscal Office
Renee Klein, Chief Financial Office
Peter Daugherty, Oregon State Forester