

Senate Interim Committee on Environment and Natural Resources 12/7/2020- Forest Products

Harvest Tax

Good afternoon Chair Golden, members of the committee, for the record, I am Erin Isselmann, and I am Executive Director of the Oregon Forest Resources Institute “OFRI”.

OFRI was created by the Legislature in 1991 with a mission to advance public understanding of Oregon’s forests, forest practices and encourage sustainable forestry through landowner education. Functionally we serve as the commodity commission for Oregon’s forest sector.

I am here today to provide the committee with information on two topics with respect to OFRI and the Forest Products Harvest Tax. The first topic is how Harvest Tax revenue is presently used by OFRI. The second topic addresses statutory mandates on how the Harvest Tax rate is set and directed for use by OFRI.

OFRI uses the revenue provided by the Harvest Tax to fulfill its mission in three core educational programs: K-12, Landowner and Public Education. OFRI receives no money from the General Fund.

OFRI allocates roughly 25 percent of its annual budget to its K-12 education program. We work to connect students to forests by offering an education program for students at the teaching forest we manage at the Oregon Garden. We also reimburse schools for field trip bus transportation.

We fund in-class educational programming on forests and natural resources to over 140,000 students each year. OFRI also provides free educational publications for students and curriculum for teachers. All of our K-12 materials are based on education standards established by the Oregon Department of Education. We also partner with ODE on career-technical education in natural resources and forestry.

Another important aspect of our K-12 education program is the Oregon Natural Resources Education Program known as “ONREP”, which is a part of OSU. ONREP provides natural resources professional development to teachers. Through ONREP workshops, teachers gain knowledge and tools to educate students about Oregon’s forests, its habitat and ecosystems. These workshops are based on the award winning environmental curricula, Project Learning Tree and Project WILD.

We spend about 12 percent of our annual budget on landowner education. We offer an extensive library of free publications that provide forest landowners with practical information on managing their forestland. OFRI materials include this illustrated manual that serves as a detailed guide to Oregon’s forest protection laws. We also offer a series of publications to assist Oregon forest landowners with wildlife habitat conservation and enhancement.

Many of OFRI’s landowner education efforts occur in close partnership with Oregon State University through its extension service. OFRI provides crucial funding for a number of OSU

Extension forest landowner education programs, including Tree School, the Women Owning Woodlands Network and the Master Woodland Manager program.

OFRI spends approximately 47 percent of its annual budget on our public education program. We reach the public in a variety of ways.

OFRI special reports are in-depth publications that cover a range of forest issues that are of public interest, and are produced in partnership with leading research institutions like Oregon State University, the University of Oregon and the University of Idaho.

We also communicate to Oregonians through an educational advertising program. Core messages on sustainable forest management and forest protection laws reach audiences across the state through broadcast and digital media.

Now I turn to the statutory requirements for how the Harvest Tax rate is set and how this revenue is used.

By statute, OFRI's tax rate is established annually at the beginning of each calendar year by the board of directors. The rate specified in the statute must not exceed 75 cents per thousand feet, board measure, however, the statute provided for the tax rate to be adjusted annually based on an index for inflation. Once a year the OFRI board votes on increases or decreases to the tax rate and adopts any allowed increases to the maximum tax rate based on the inflation index. The current rate is \$1.12 per thousand board feet. The current maximum tax rate is \$1.57.

The statute requires that OFRI's share of revenue from the Harvest Tax is continuously appropriated to execute OFRI's duties, functions and powers. The general authority of OFRI as outlined in statute is to enhance and provide support for Oregon's forest products industry.

There are two restrictions in the statute:

- No funds can be used for the purpose of supporting or opposing litigation or other legal action unrelated to OFRI
- No funds can be used by OFRI for the purpose of influencing, or attempting to influence, any legislation or rulemaking

There is also a process outlined in statute for OFRI to refund payments for a portion of the tax at the request of the taxpayer.

Thank you for the opportunity to present on these two topics. I'm happy to answer any questions during the Q&A.

