

Oregon Department of Forestry



**80th Oregon Legislative Assembly
2019-21 Biennial Budget
Ways and Means Presentation
February 2019**





Recreation



Sustainability



Jobs & Revenue



Habitat



Clean Water



Presentation Overview

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



Healthy Forests Are Crucial To Oregon



Public Investment Is Important To Maintaining Our Forests



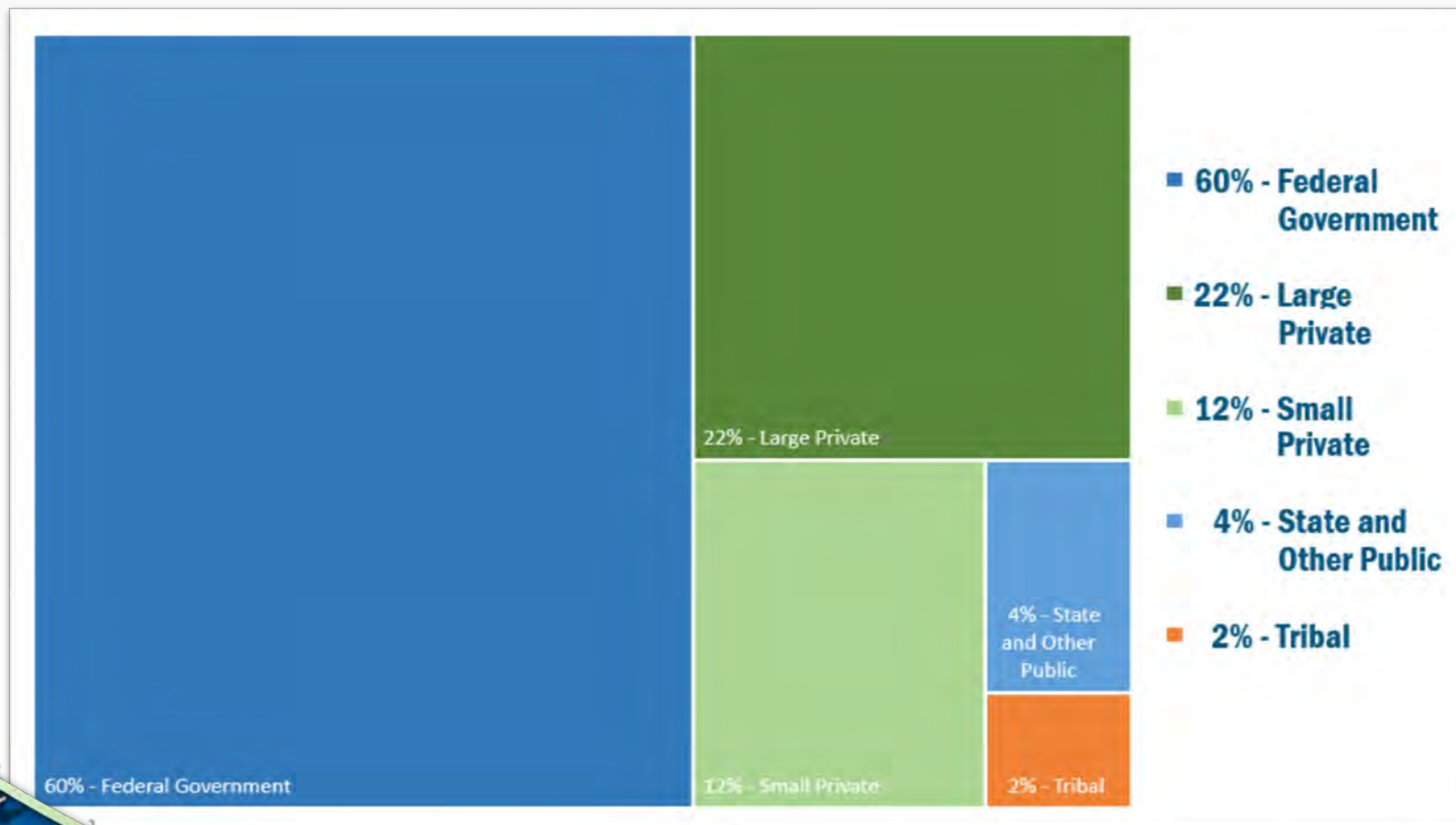
Overview Of Oregon's Forests



Oregon's Land Base



Who Owns Oregon's Forests?



Oregon's Urban Forests



Economic Benefits



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



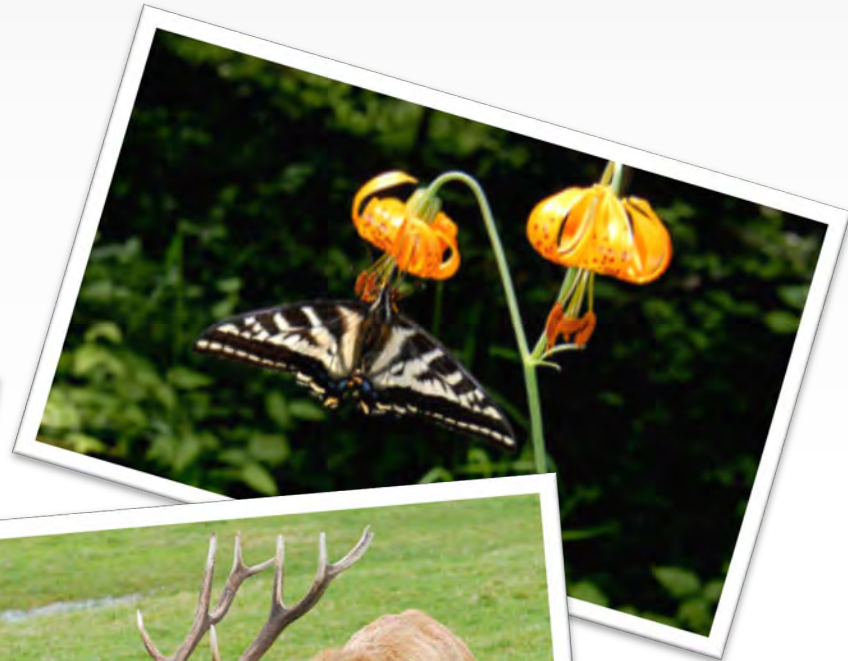
Support For Public Services



Clean Water



Wildlife Habitat



Recreation



Forest Learning



Ecosystem Services



Board And Department Of Forestry



Board Of Forestry



Tom Imeson, Chair



Nils Christoffersen



Joe Justice



Cindy Deacon Williams



Mike Rose



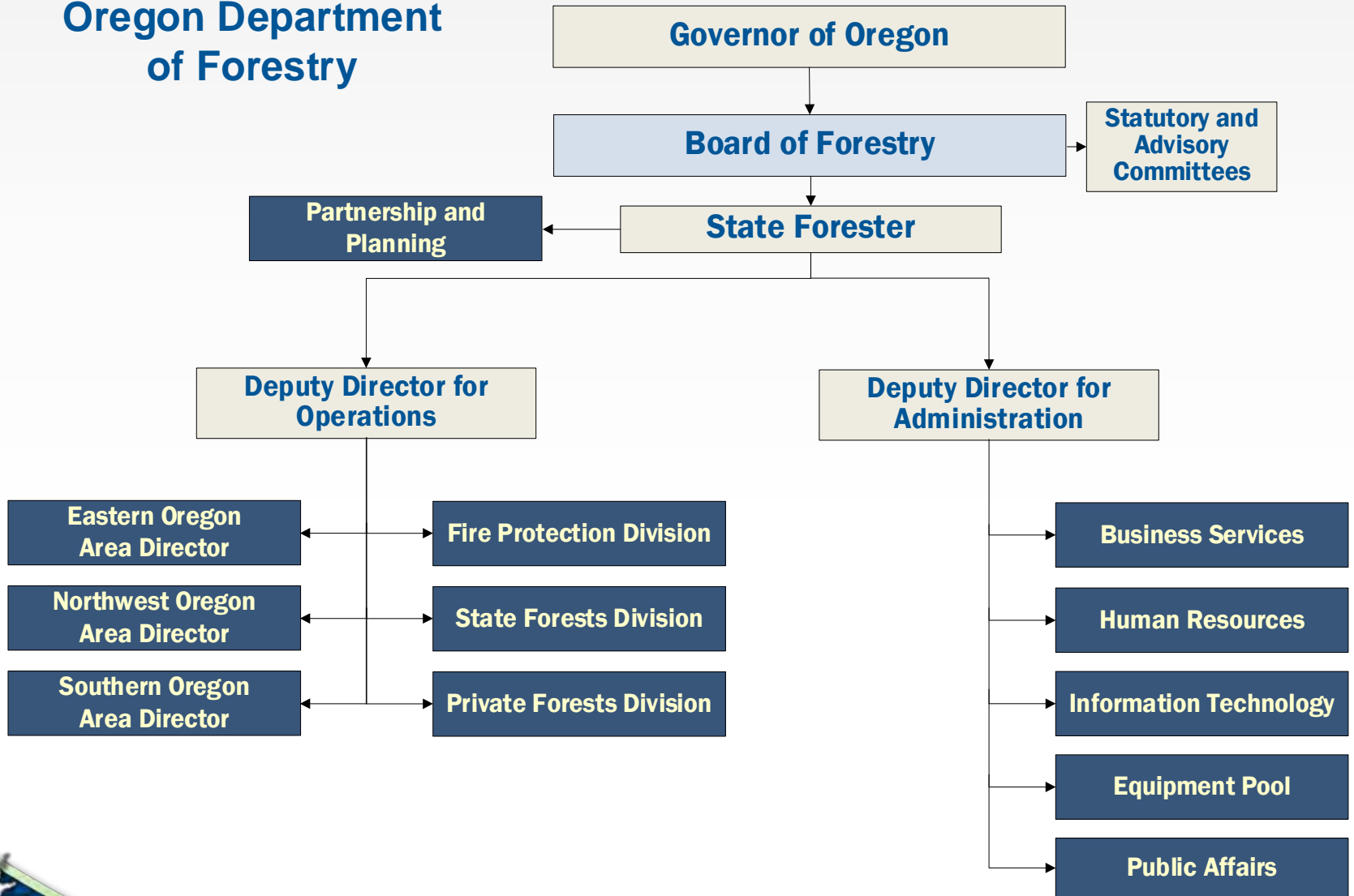
Brenda McComb



Jim Kelly



Oregon Department of Forestry



ODF's Workforce



Direct Benefit To Oregonians



Opportunities and Challenges

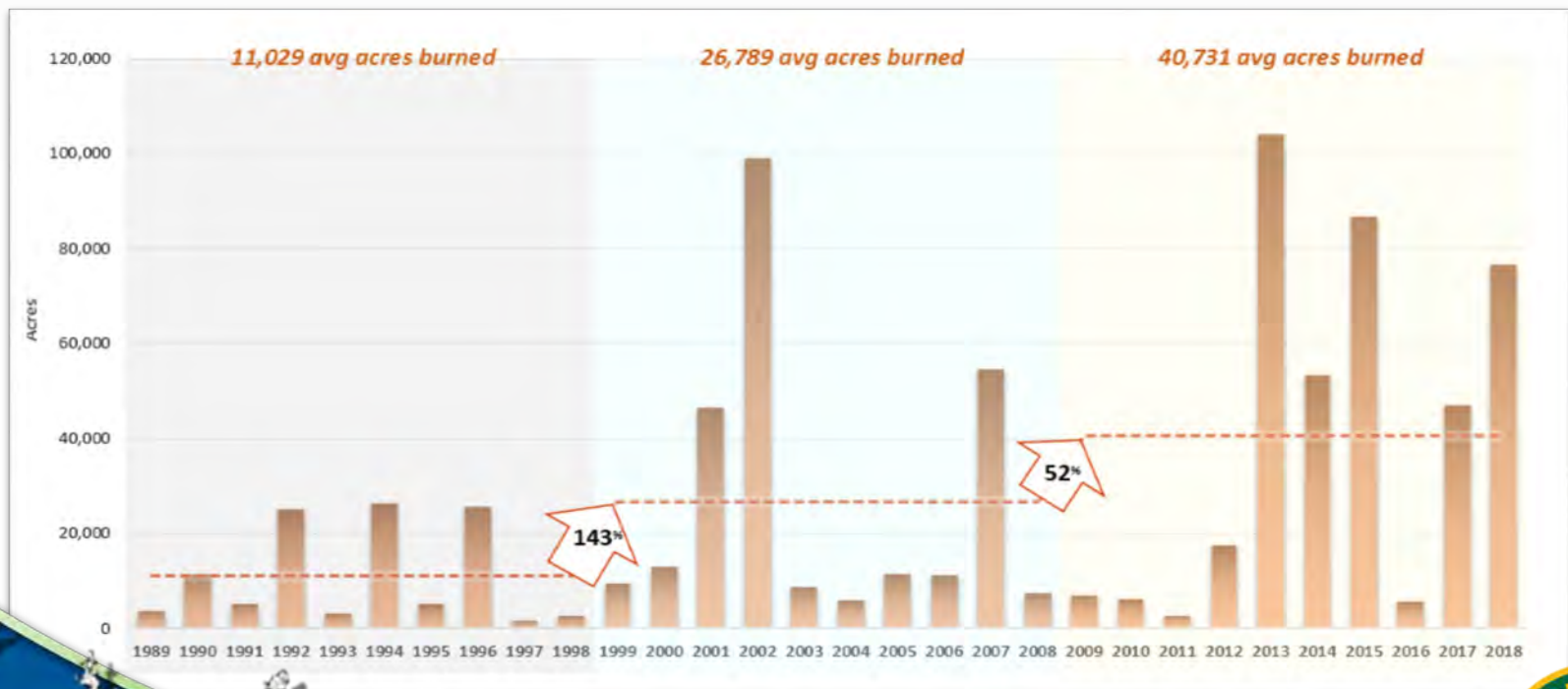


- **Efficiency Improvements**
 - ForestryBuys, FERNS
- **Organizational Improvements**
 - Workforce Reorganization, Strategic Workforce Planning
- **Challenging Fire Seasons**



Challenging Fire Seasons - ODF Protected Lands

- Length, severity, complexity, and costs
- Impacts on Oregonians



The Fire Militia

ODF Militia Composition
during South Valley Fire in August, 2018



Executive Order 19-01

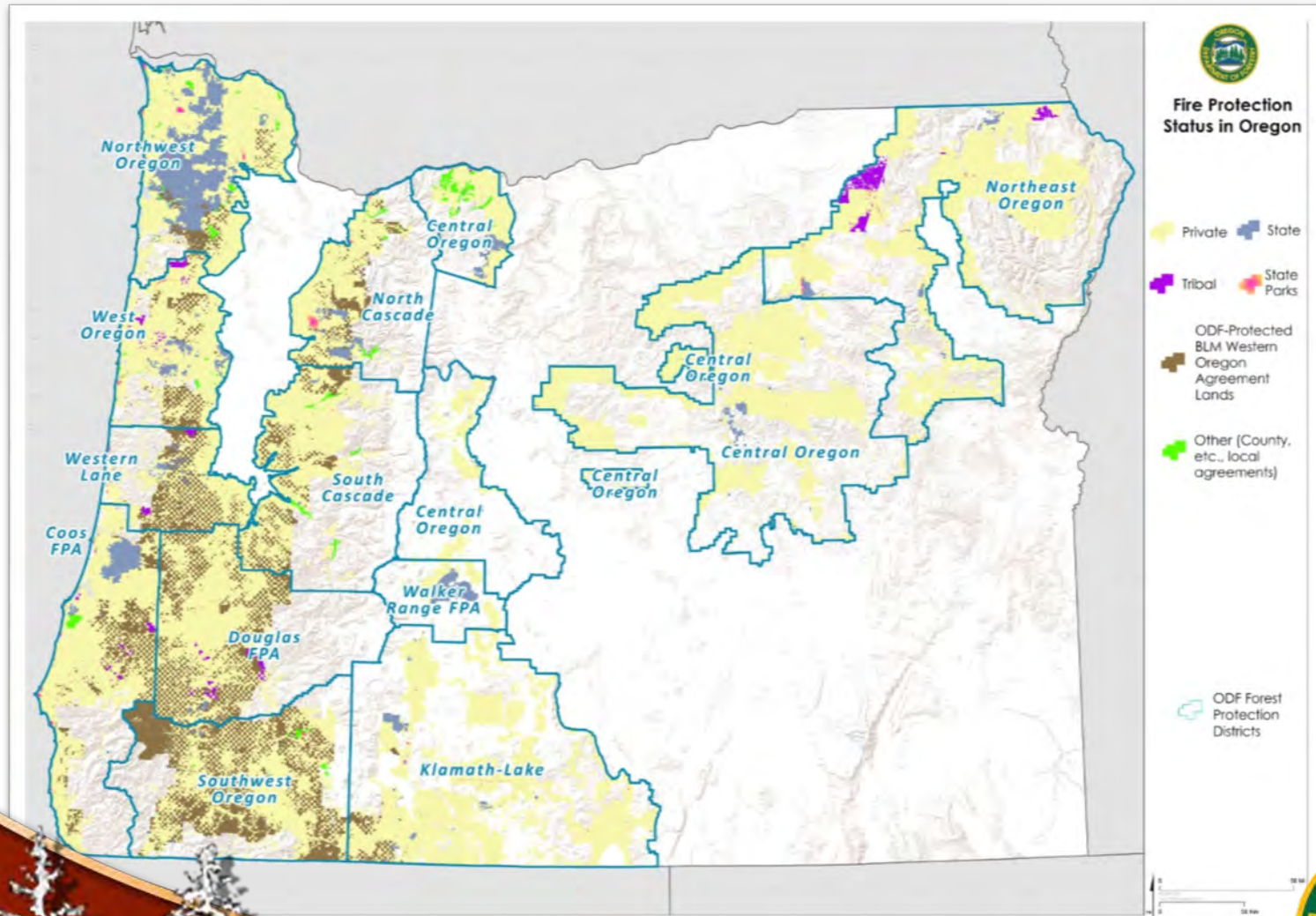
- **Council on Wildfire Response**
 - **Wildfire funding**
 - **Response on protected, under-protected, and unprotected lands**
 - **Wildfire smoke**
 - **Assistance for communities affected by wildfire**
 - **Prevention, treatment and cost containment of wildfires**



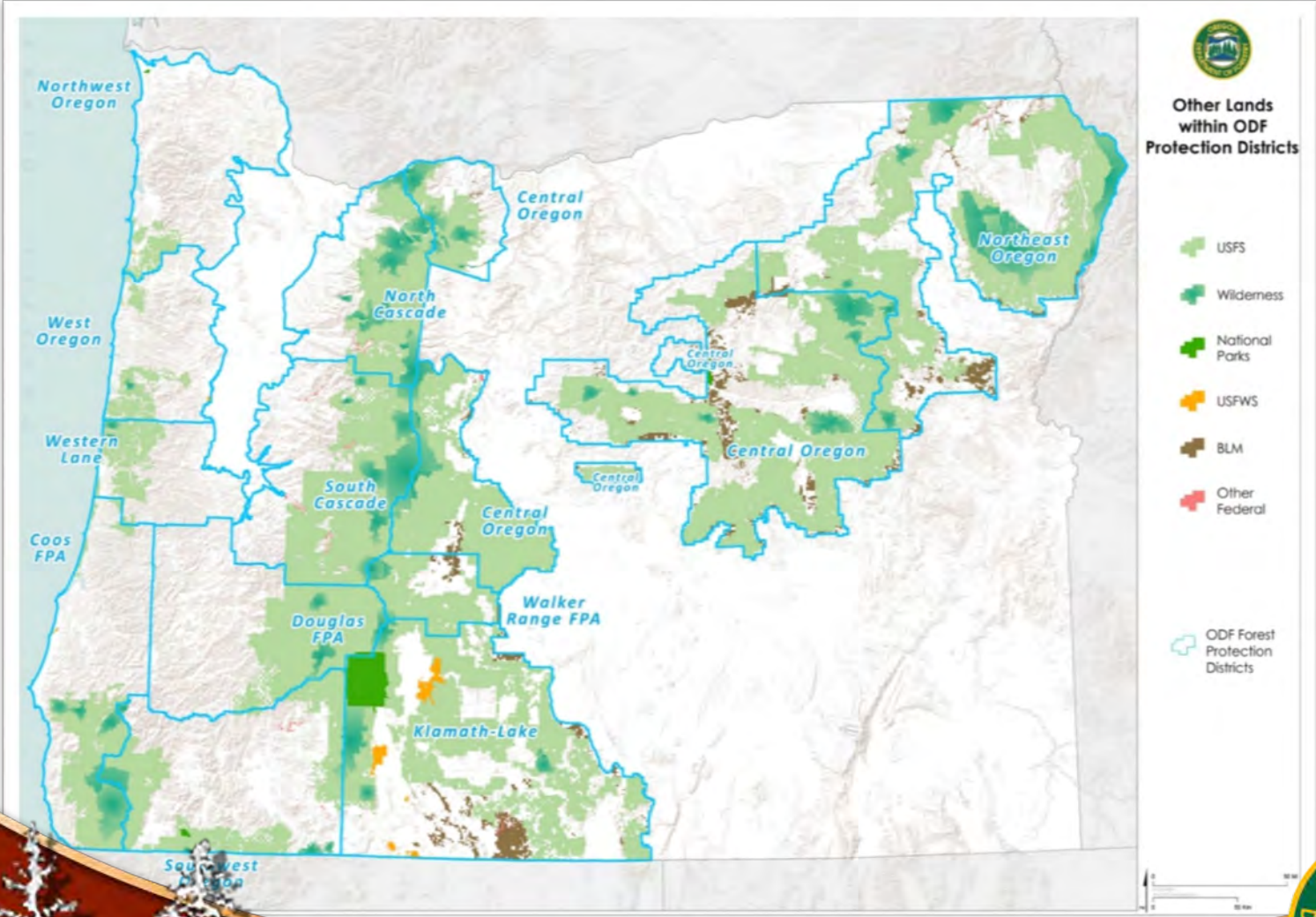
Fire Protection



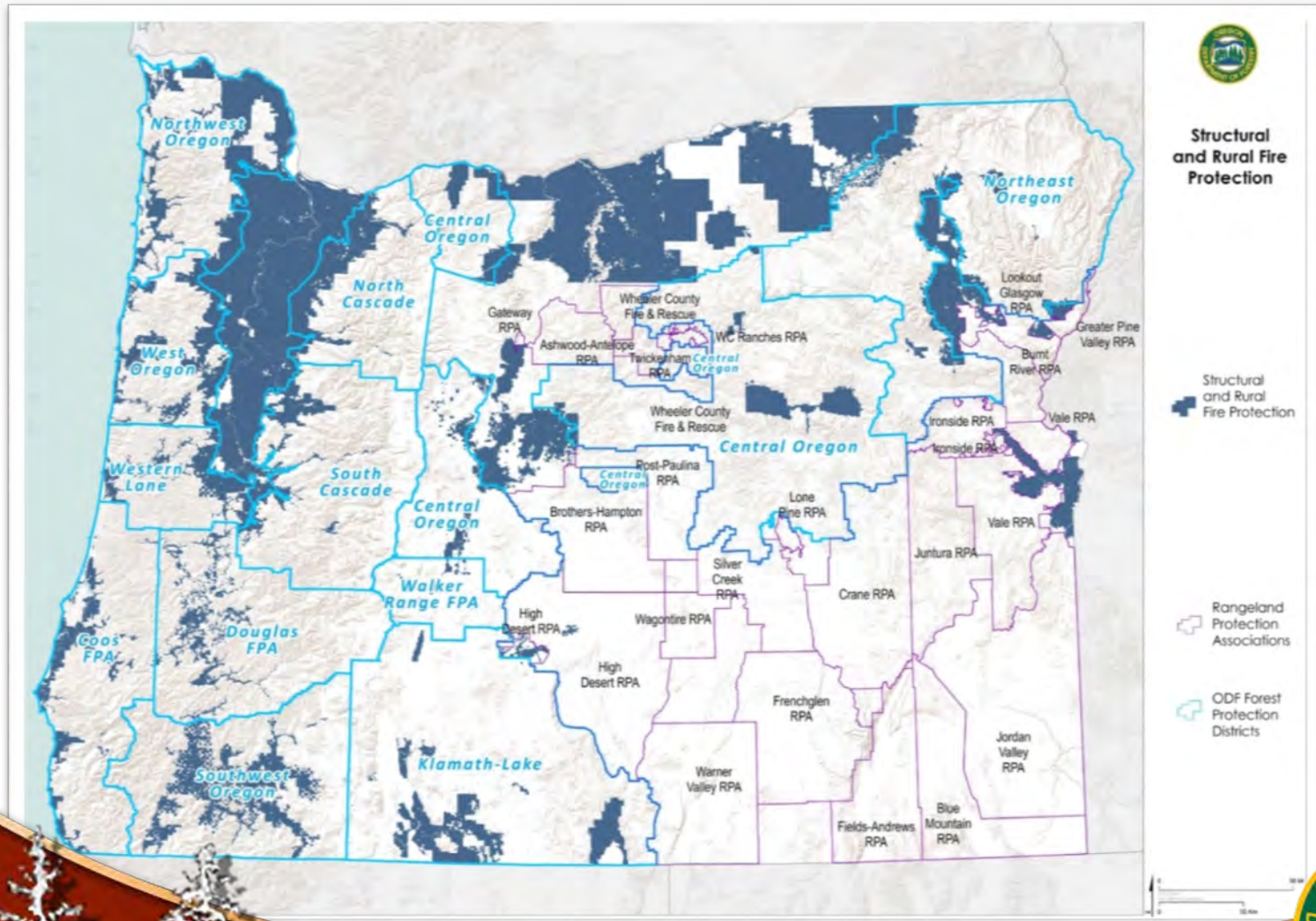
ODF Protected Lands



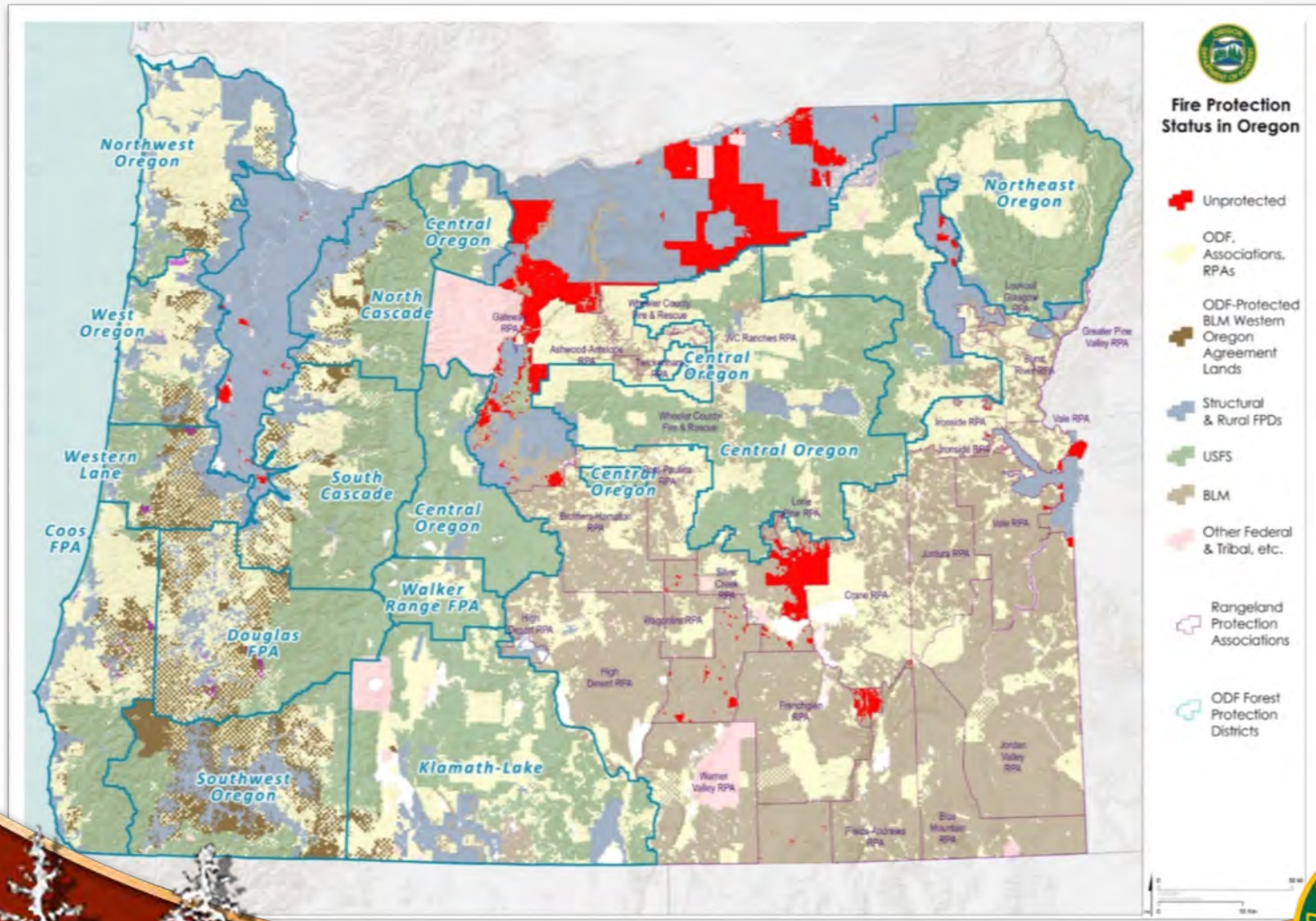
Other Lands In ODF Districts



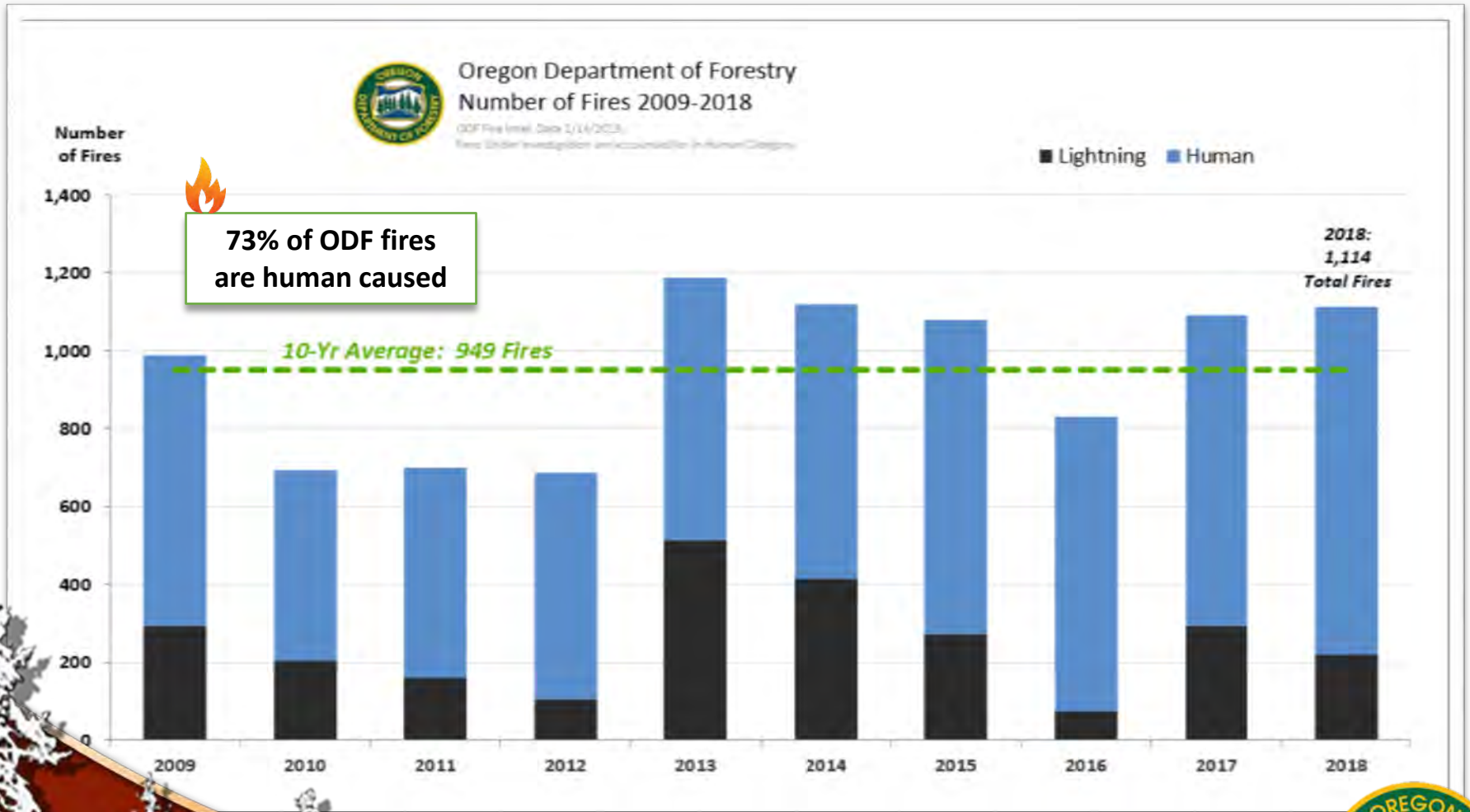
Structural & RFPDs



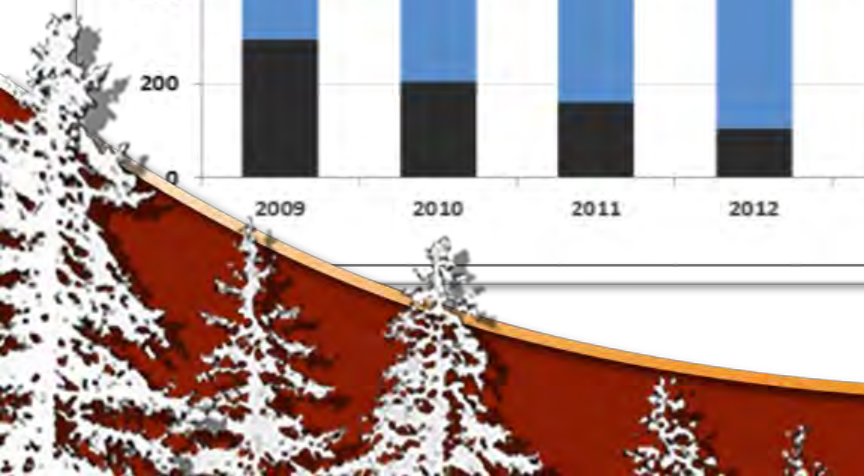
Protection Status In Oregon



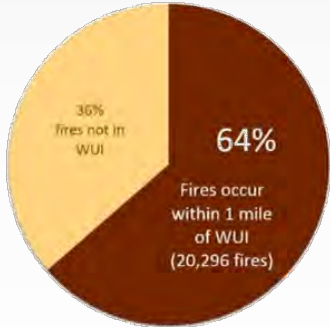
ODF Number Of Fires



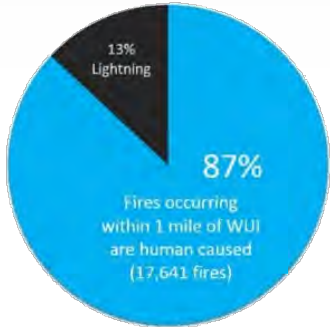

73% of ODF fires are human caused



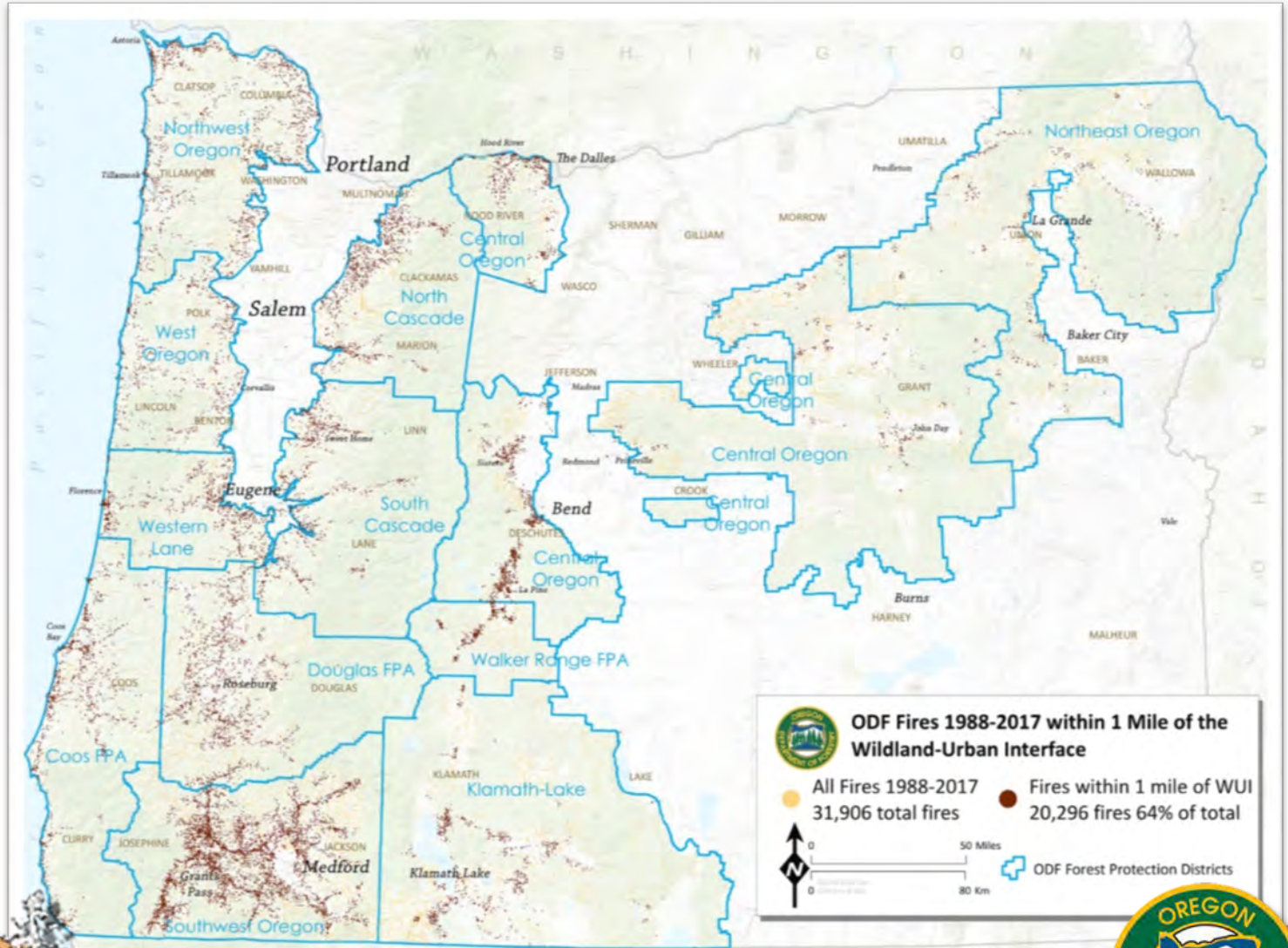
Fire Activity Near Communities



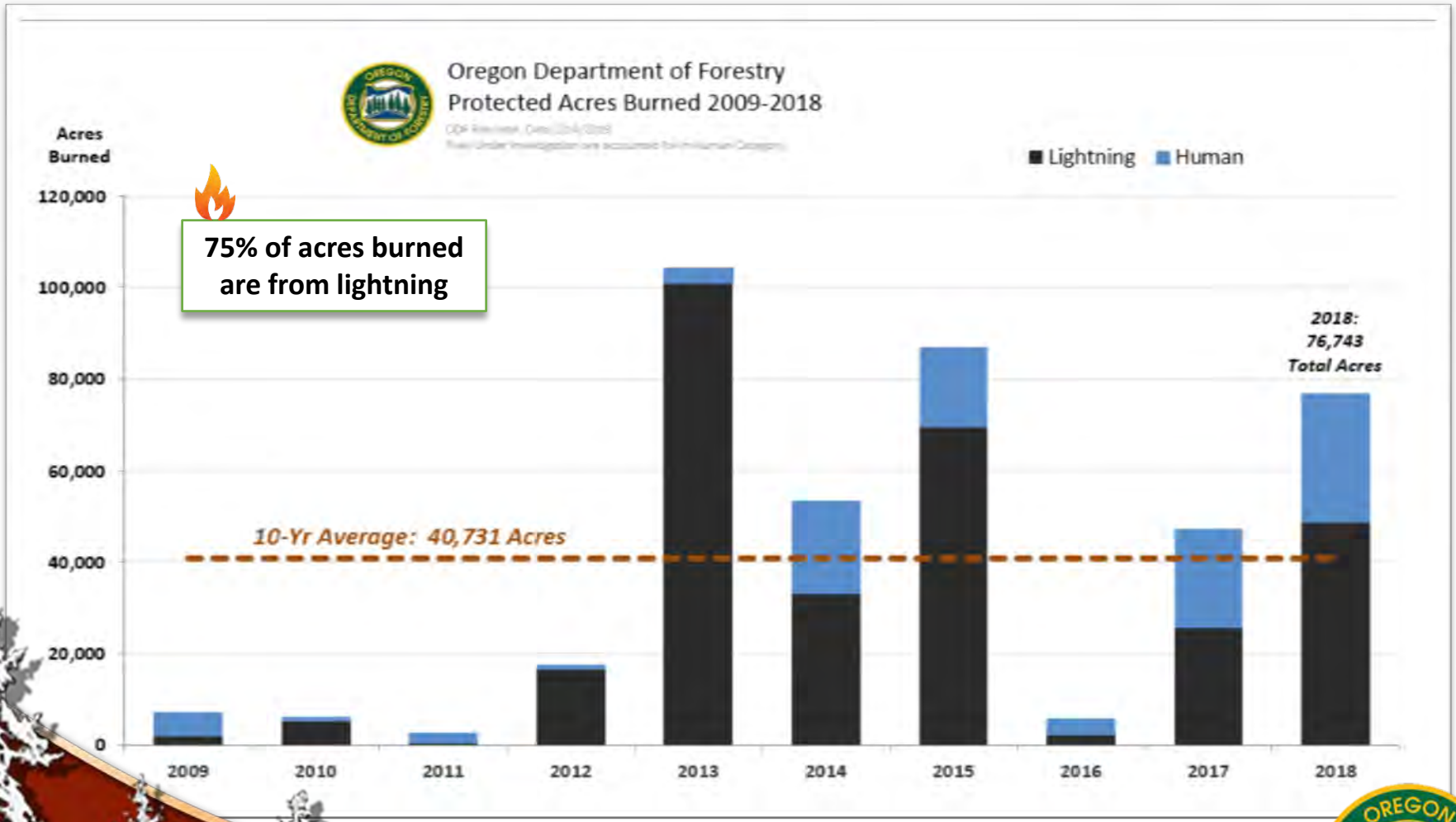
Total Fires (31,906 fires)



Total Fires Within 1 Mile of WUI (20,296 fires)

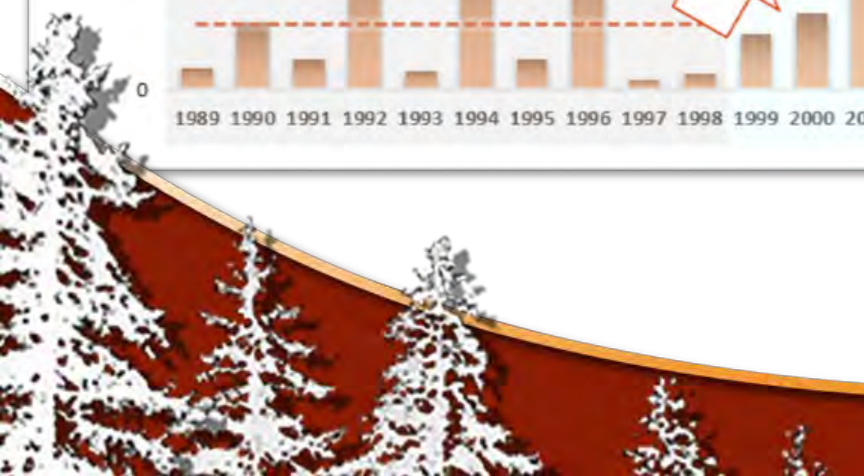
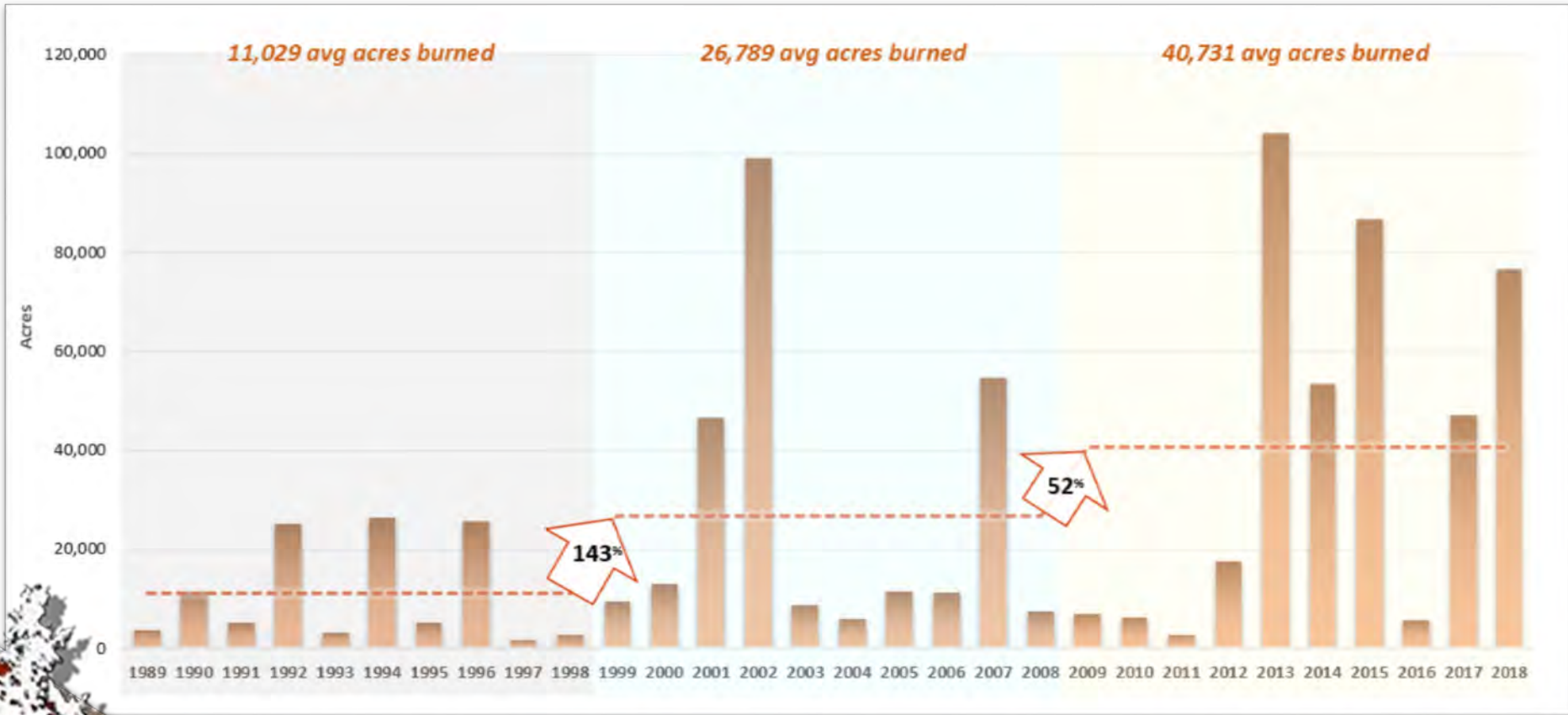


ODF Protected Acres Burned



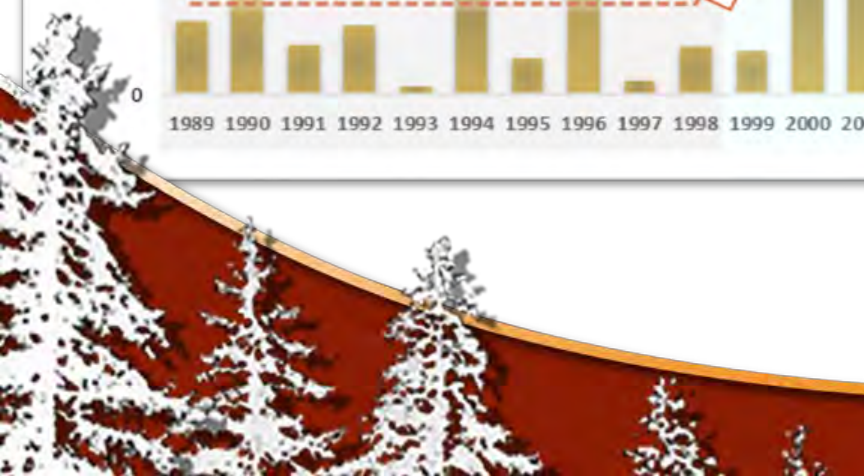
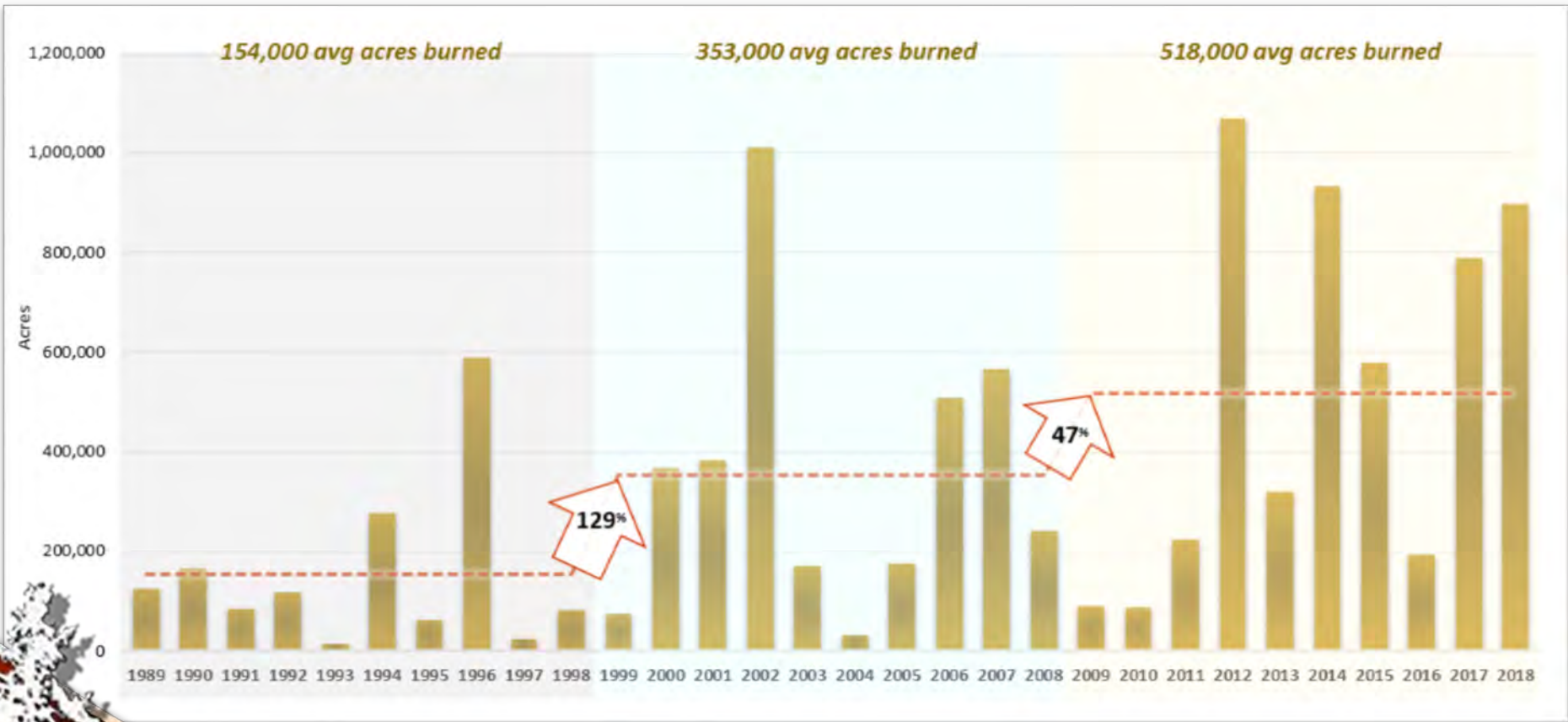
ODF Protected Lands

Average Acres Burned By Decade

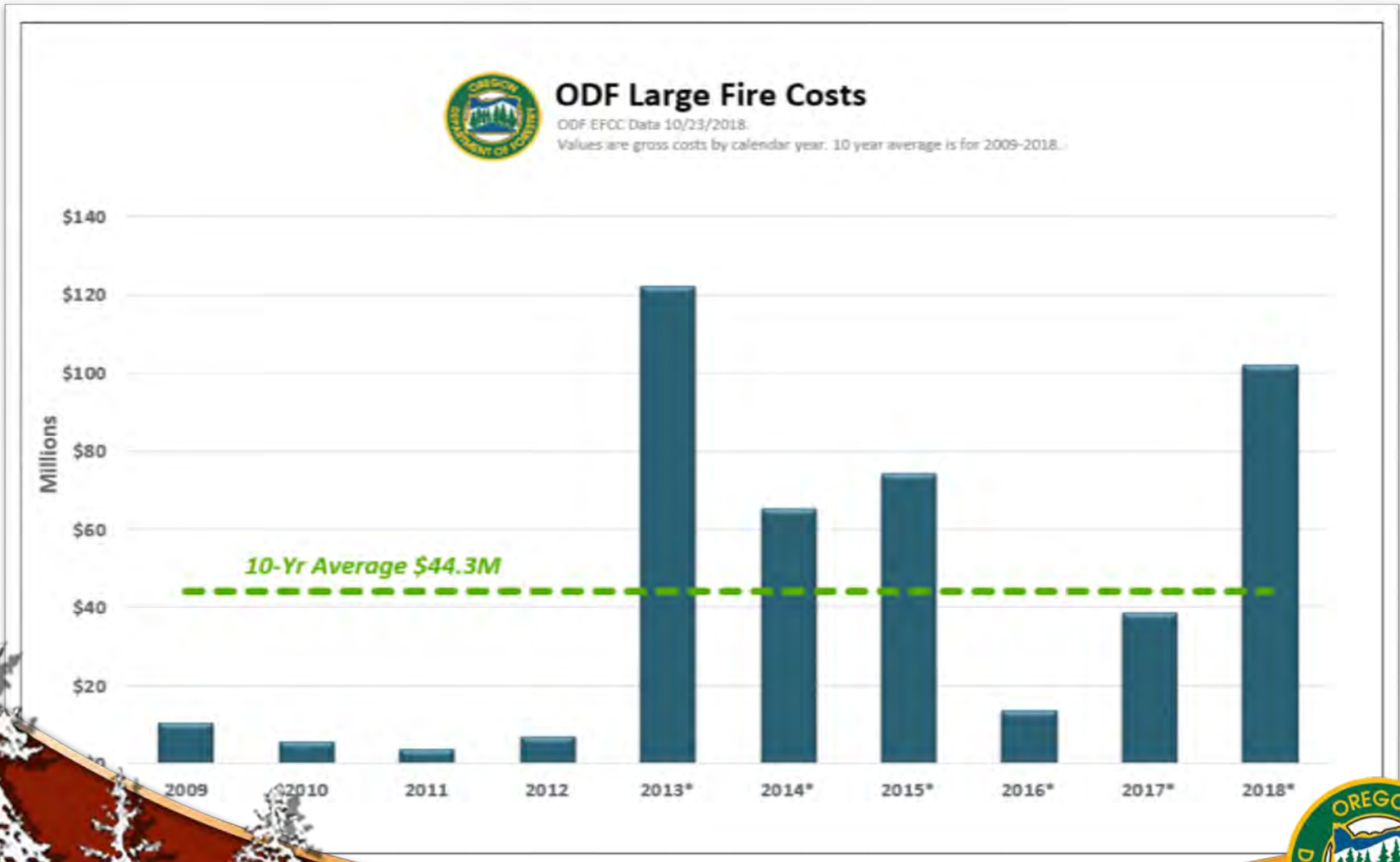


Oregon Statewide – All Agencies

Average Acres Burned By Decade



ODF Large Fire Costs



Fire Protection Strategies

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

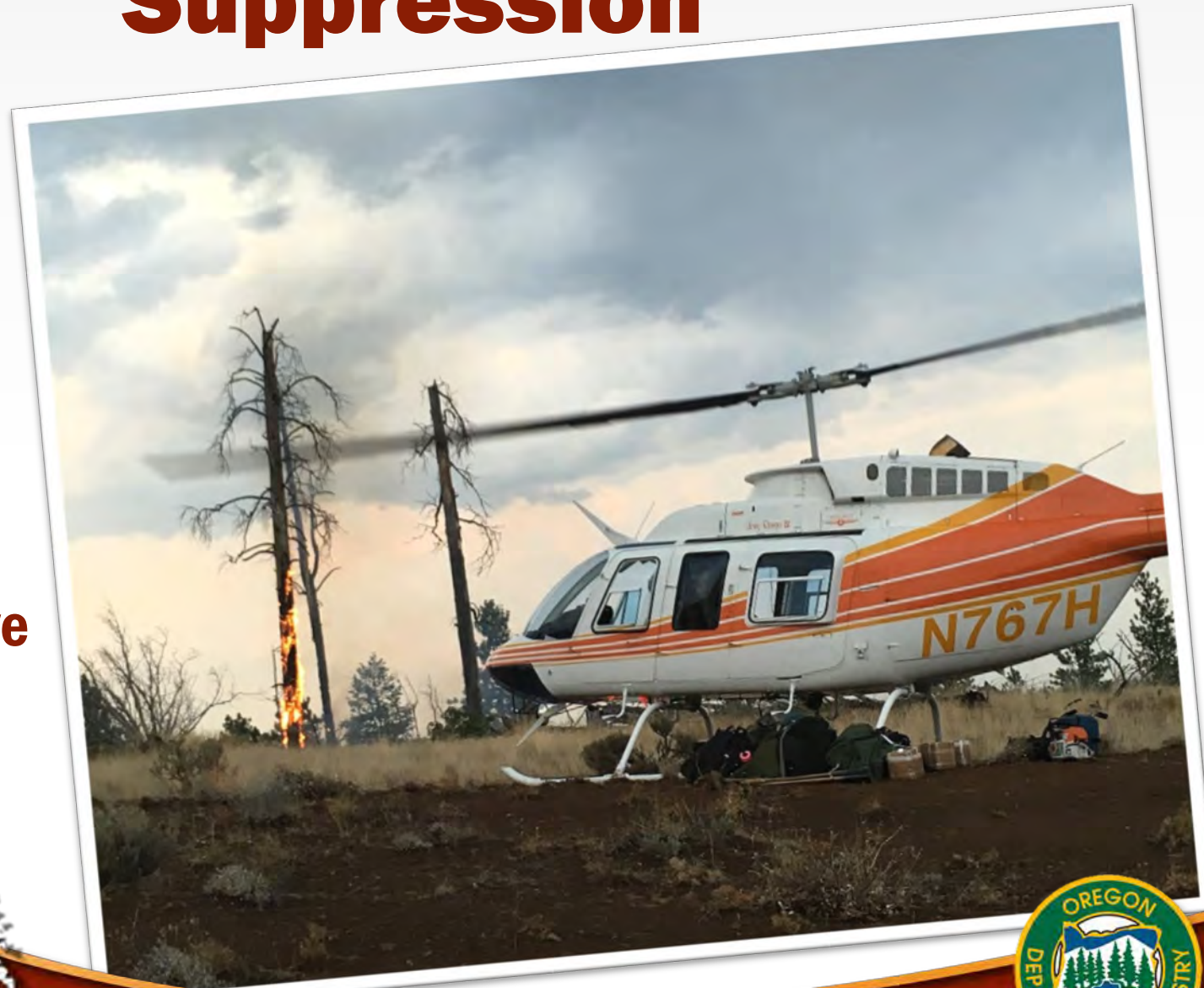


Prevention



Suppression

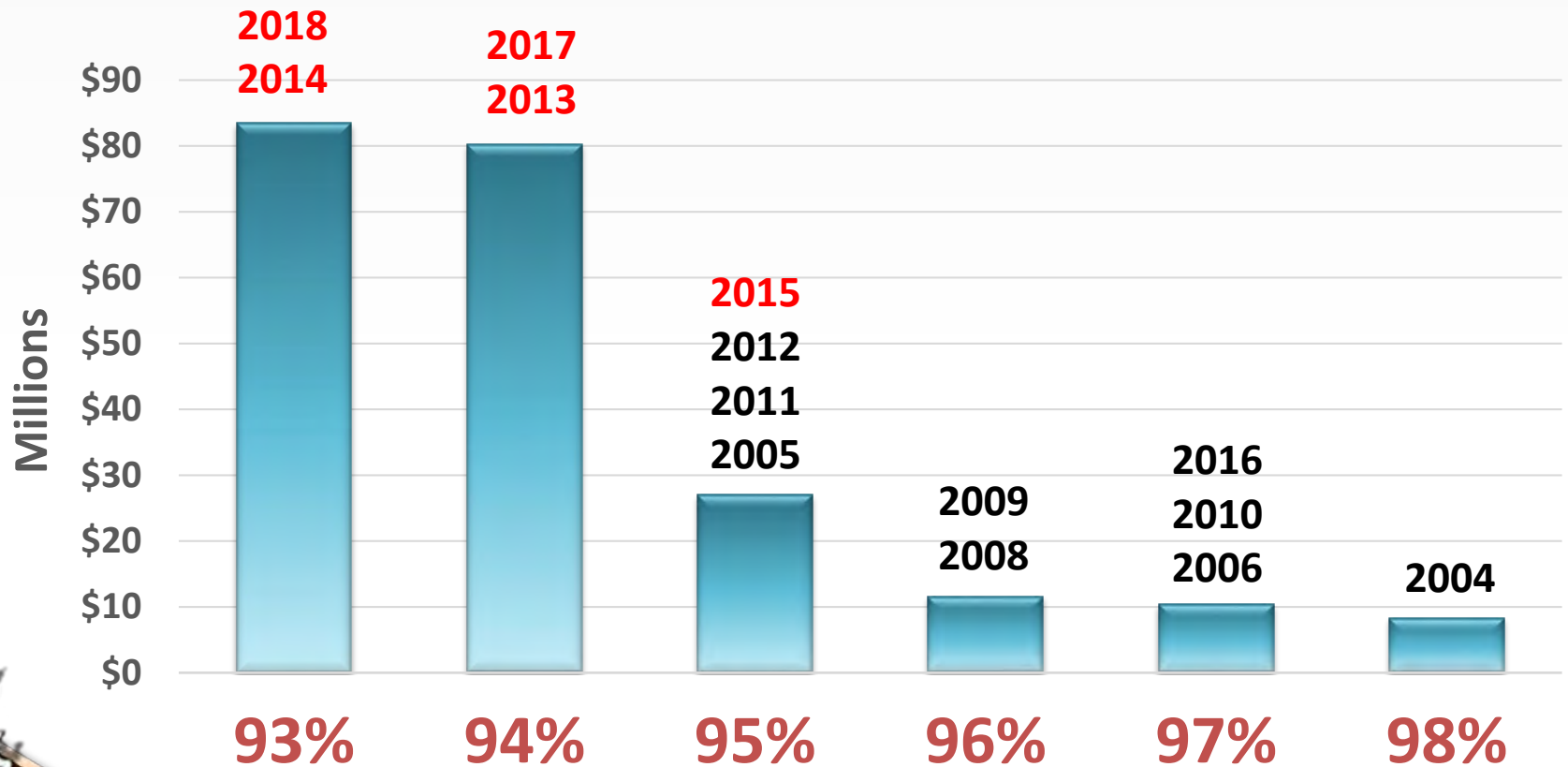
- **Aggressive initial attack**



Keeping Fires Small



Keeping Fires Small Means Big Savings



Key Performance Measure: Percentage of Fires Caught at 10 Acres or Less



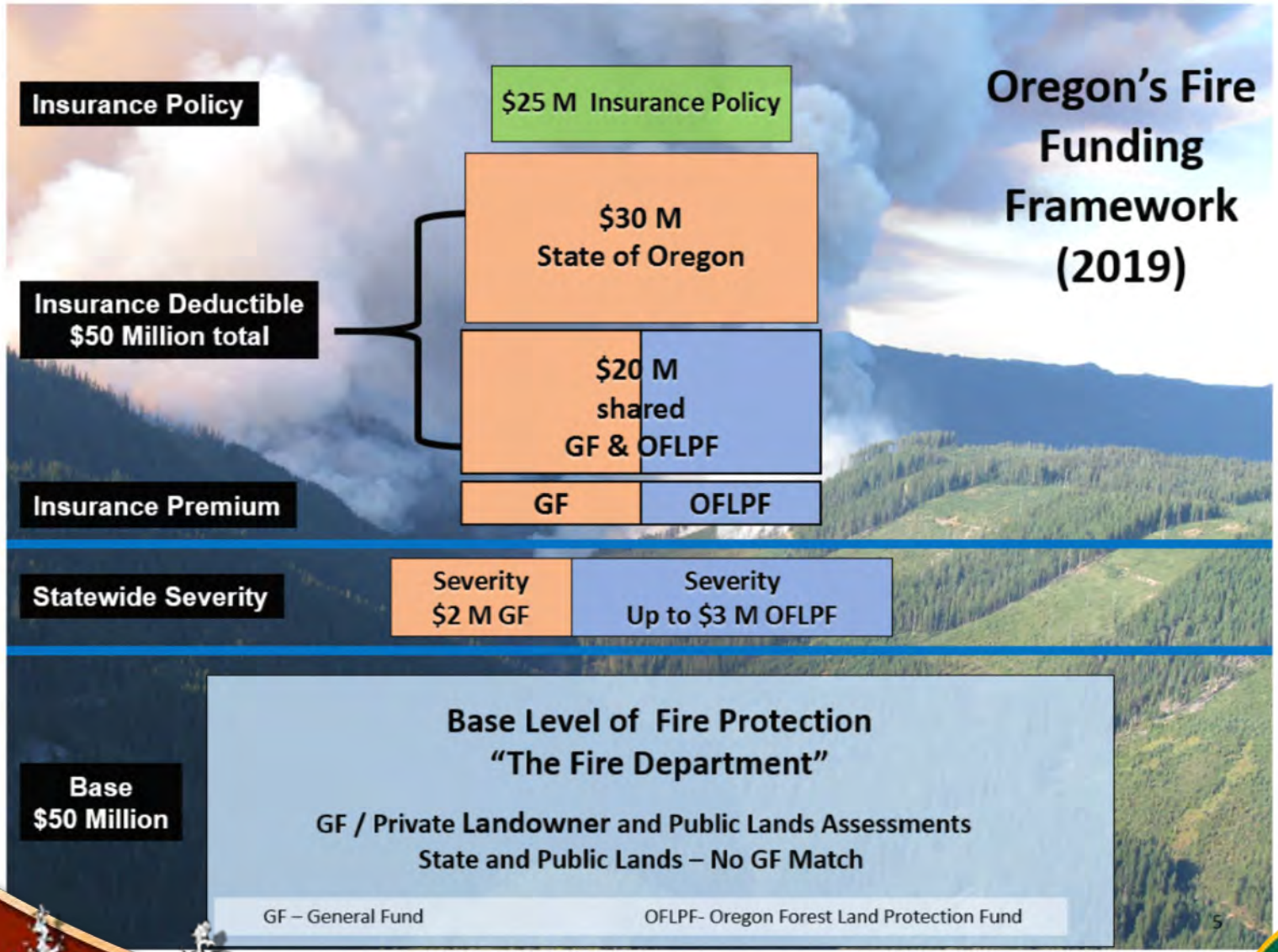
Mitigating Wildfire Risk



Adequate Funding



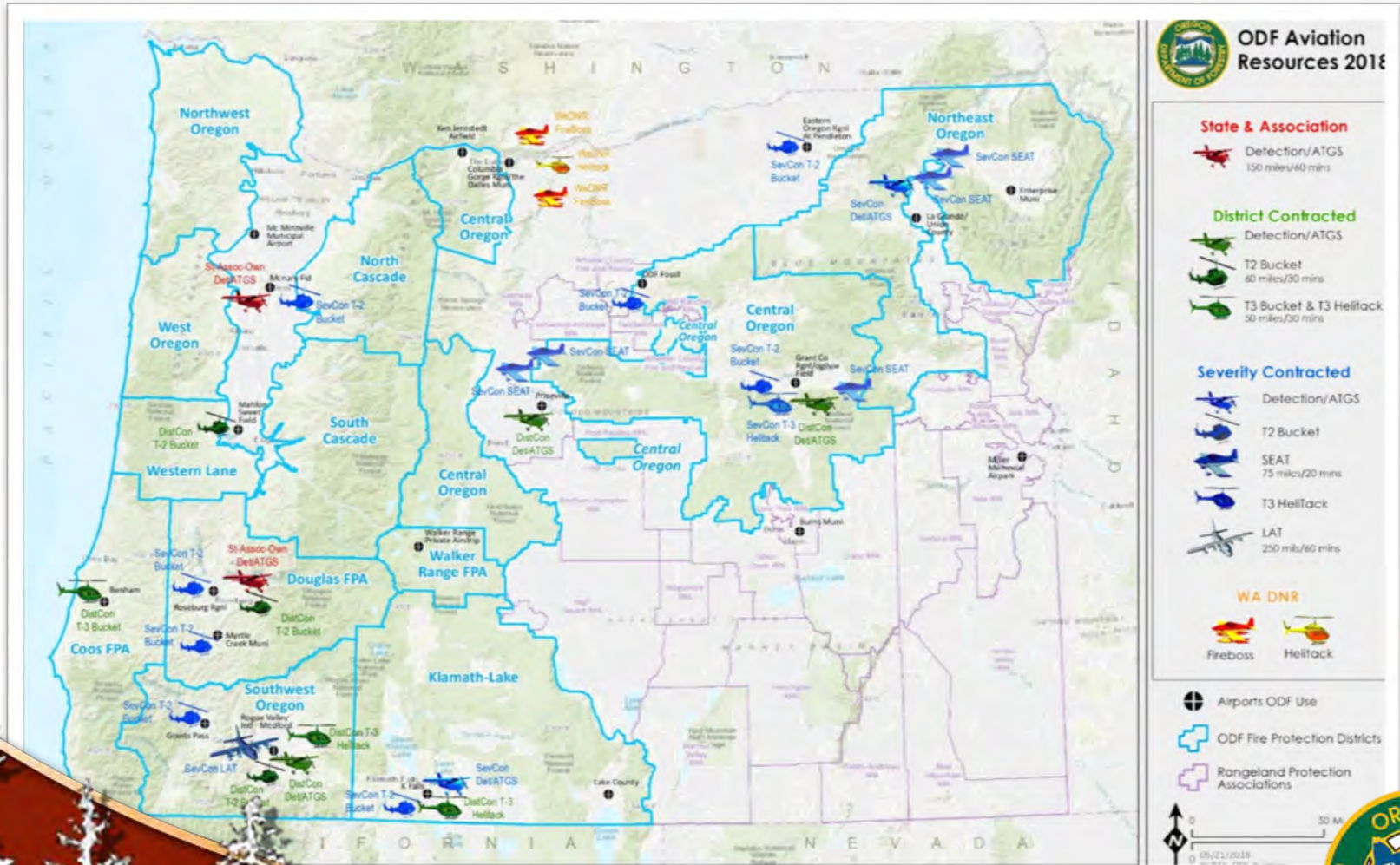
Oregon's Fire Funding Framework (2019)



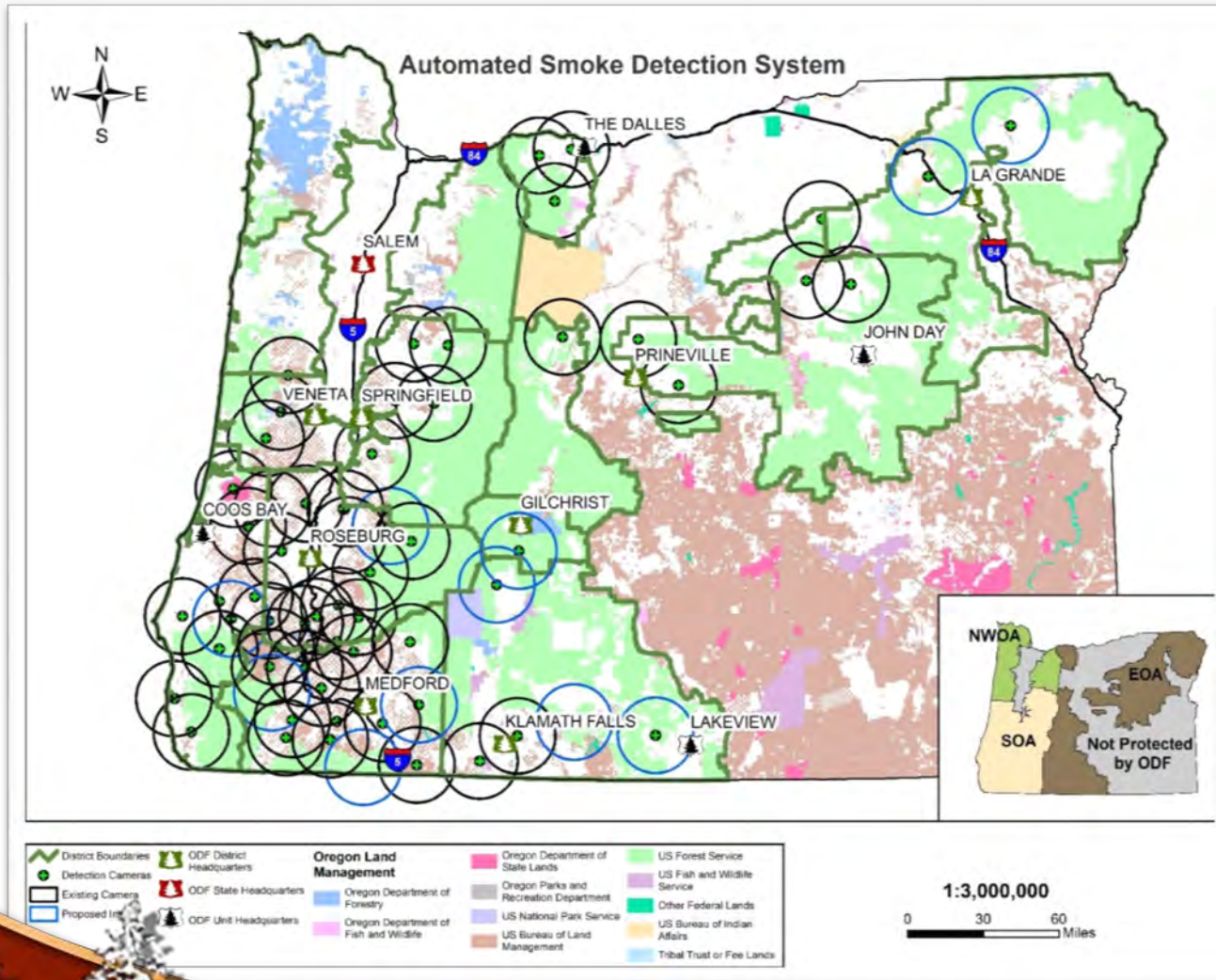
Wildfire Protection Advancements



Aviation Resources (Severity Program)



Fire Detection Technology



Infrared Platforms Used By ODF (2015-2018)



Colorado MMA (PC-12)



FLIR (PC-12)



TacAero Cessna 182H



Military DRTI (RC-26)



Precision - Martin LMXE

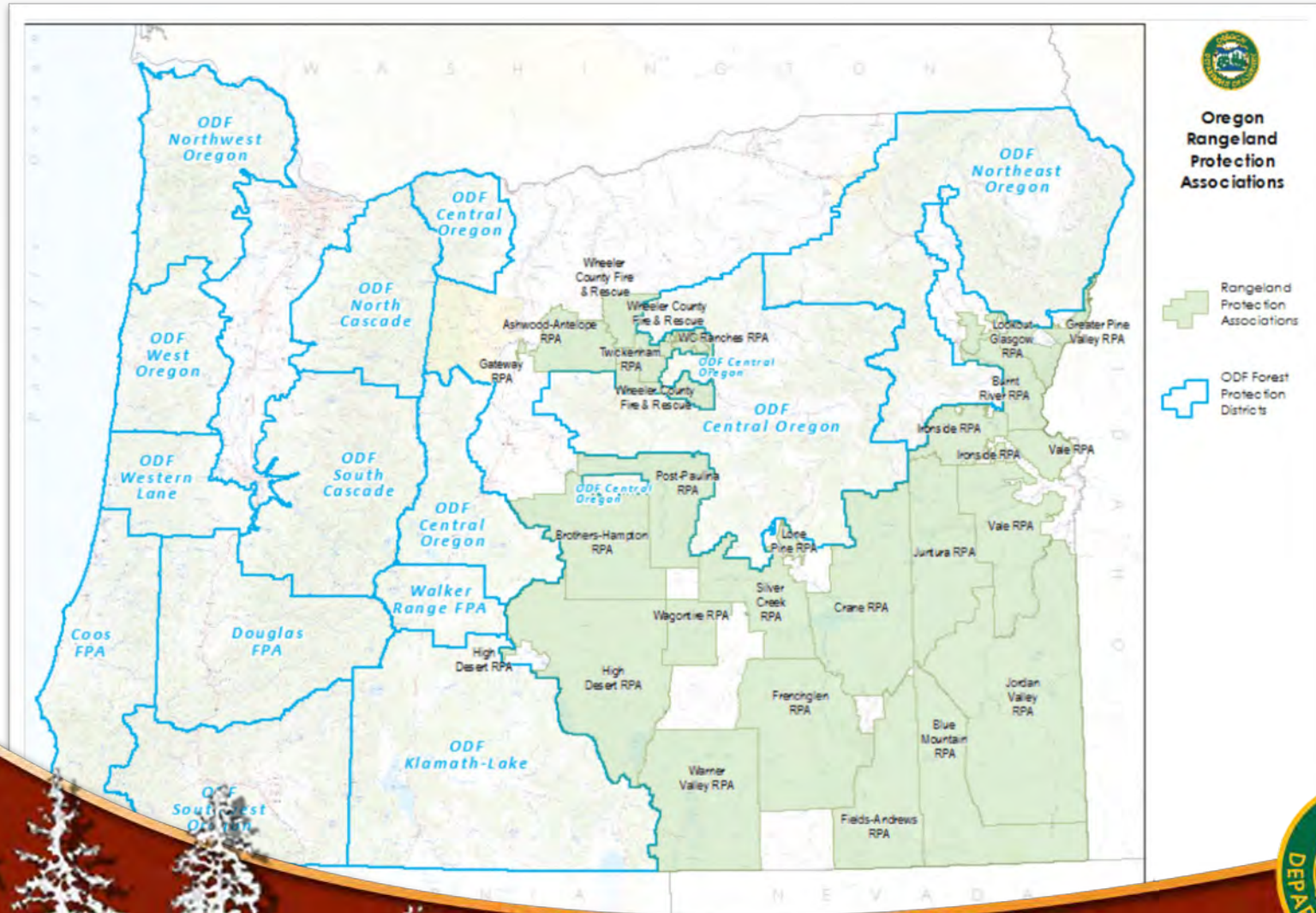


Insitu - Boeing Scan Eagle

230+
Hours
Flown



Rangeland Protection Associations



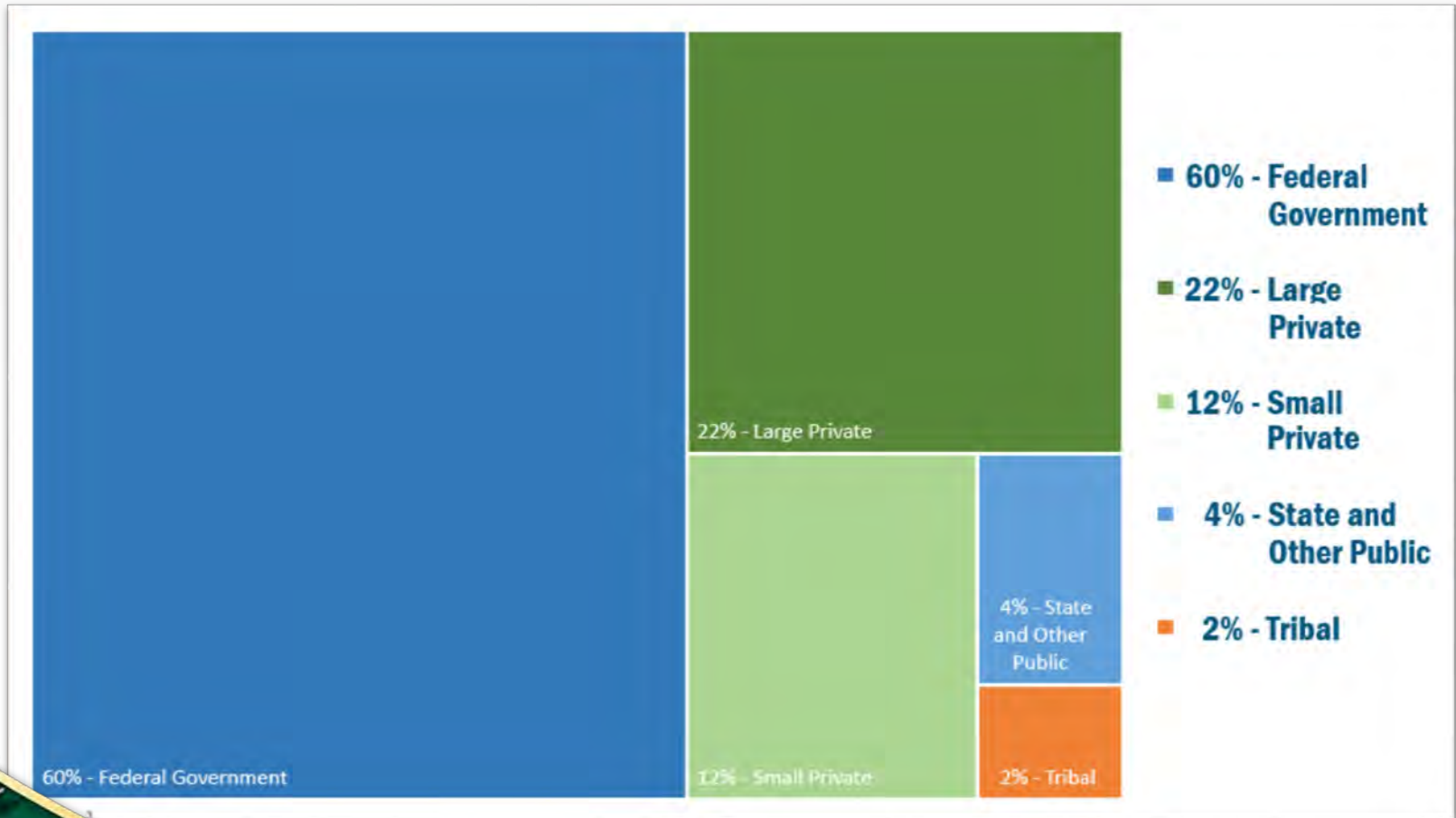
Oregon's Complete & Coordinated Fire Protection System



State Forests



Who Owns Oregon's Forests?

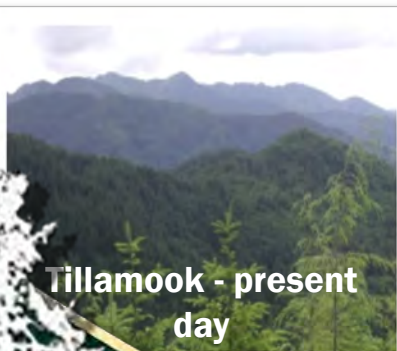




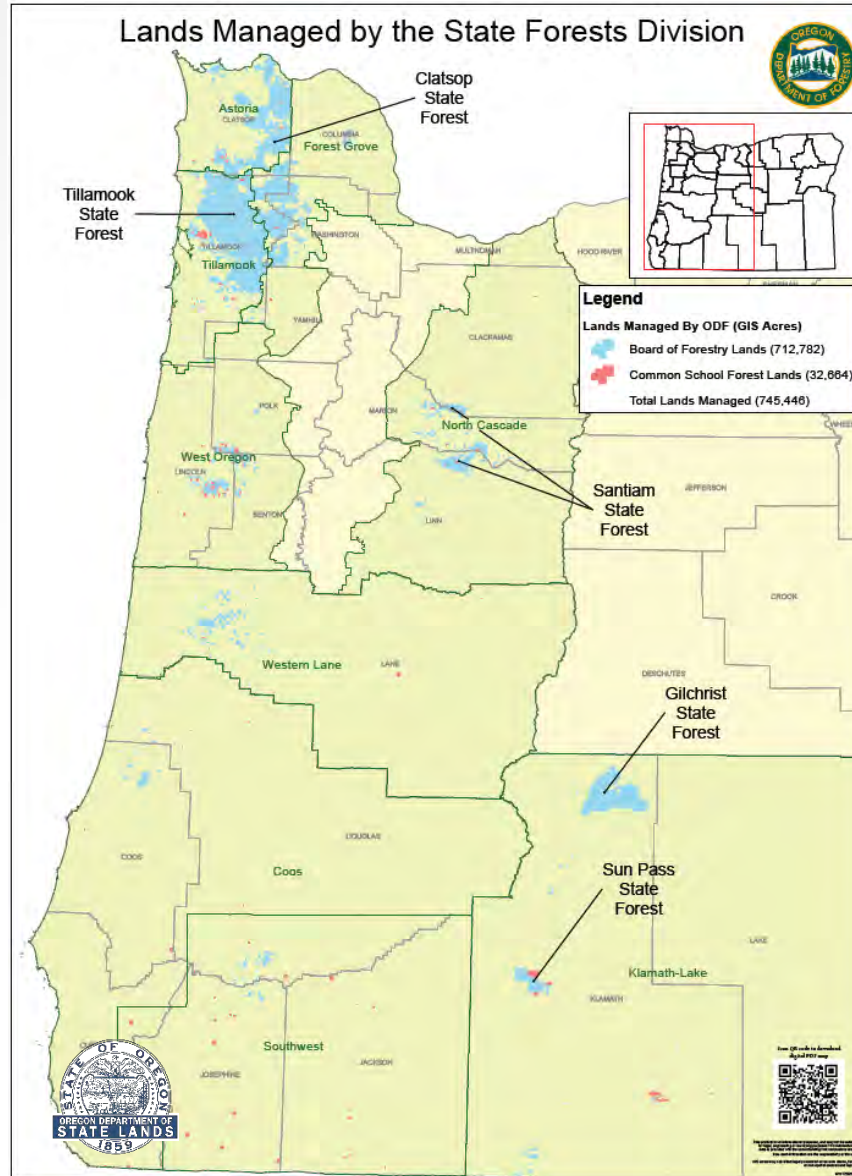
Clatsop



Tillamook – post fire



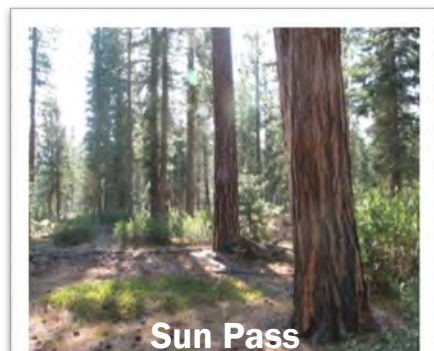
Tillamook - present day



Santiam



Gilchrist



Sun Pass



Board Of Forestry Lands

- **Managed for “greatest permanent value” – ORS 530.050**

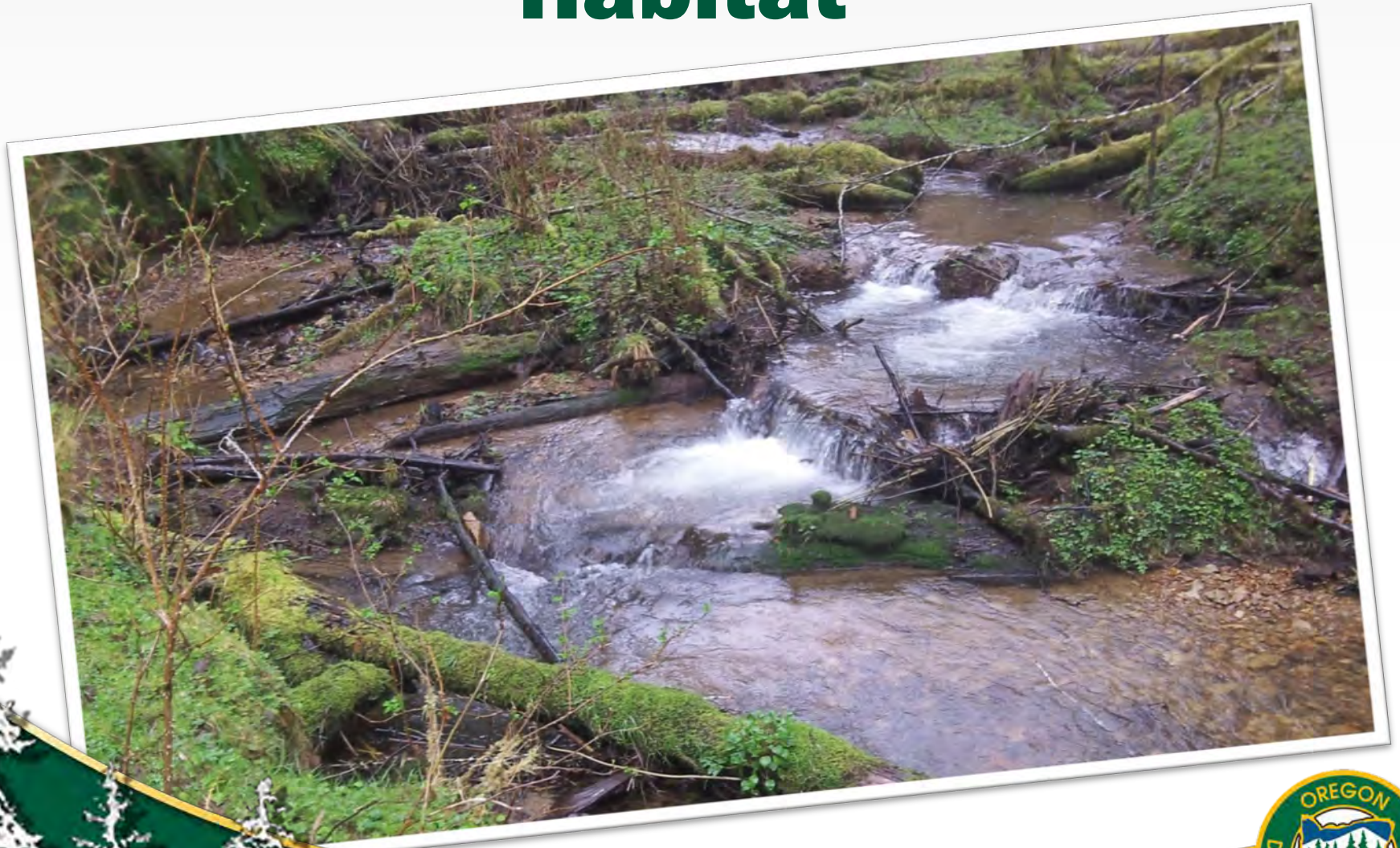
Healthy, productive, and sustainable forest ecosystems that over time and across the landscape provide a full range of social, economic and environmental benefits to the people of Oregon – OAR 629



Sustainable Working Forests



Native Fish And Wildlife Habitat



Recreation Opportunities



Collaborative Relationships



Funding



- **Self supporting through timber-sale revenue**
- **64% of timber revenue goes to counties and local taxing districts**
- **Collaboration with OPRD to support recreation services**



Strategies

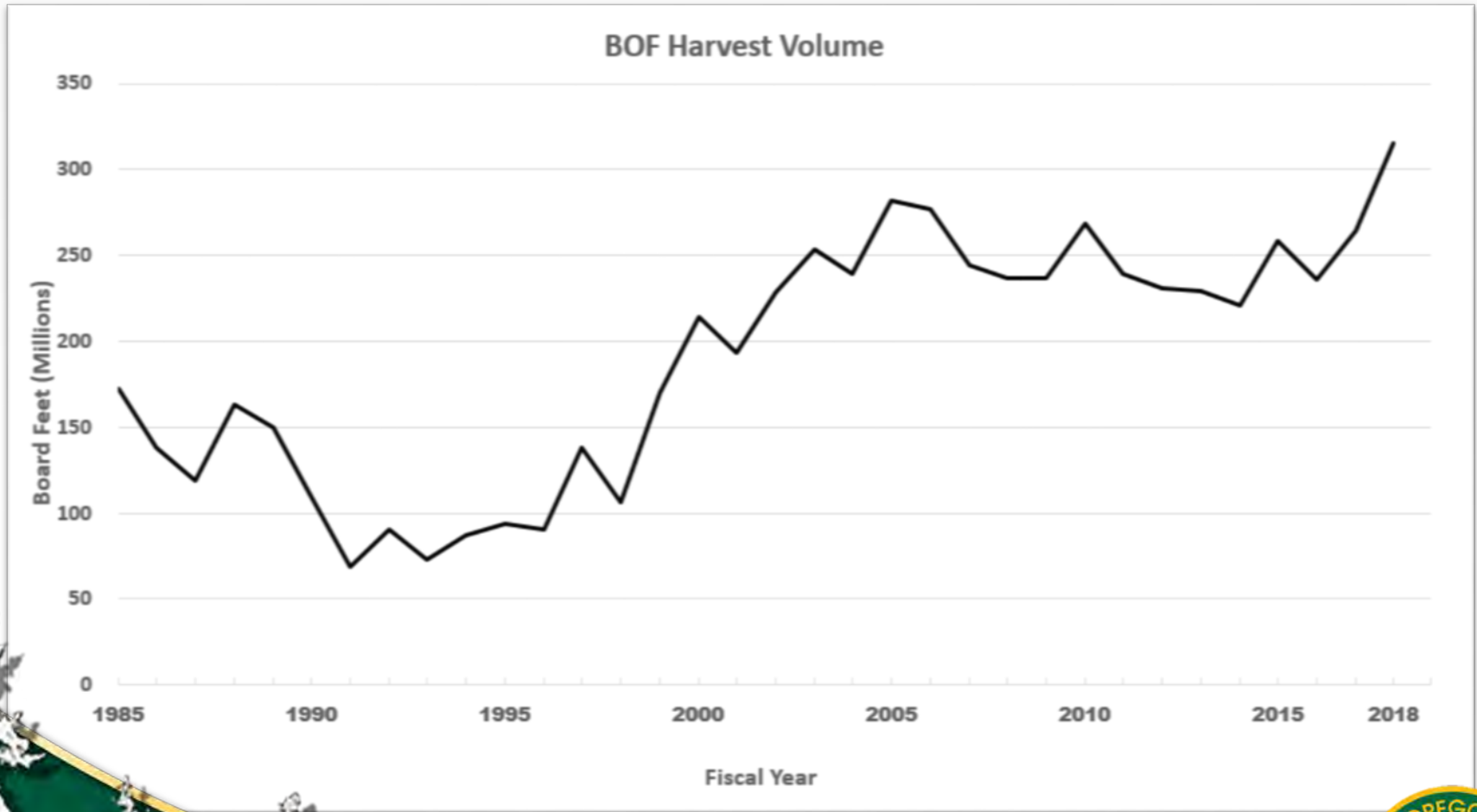
- Sustainable Working Forests
- Conservation
- Recreation and Interpretation
- Adaptive Management



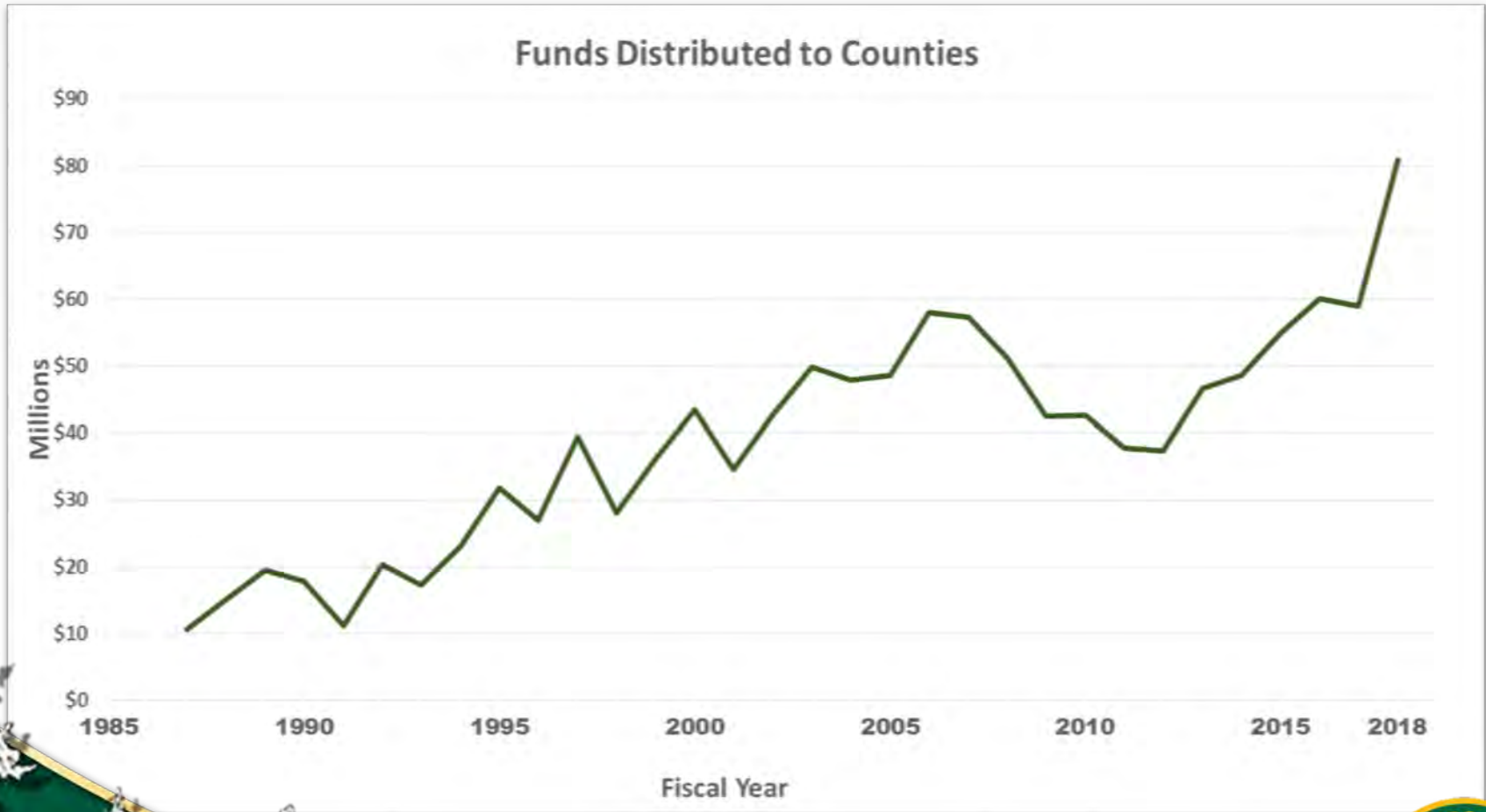
Outcomes



Sustainable Timber Harvest



Revenue To Counties, Schools, And Local Taxing Districts



Environmental Outcomes

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



Environmental Benefits Wildlife

- **Manage for resilient, productive forest ecosystems**
- **Complex Structure KPM**



Environmental Benefits Aquatics

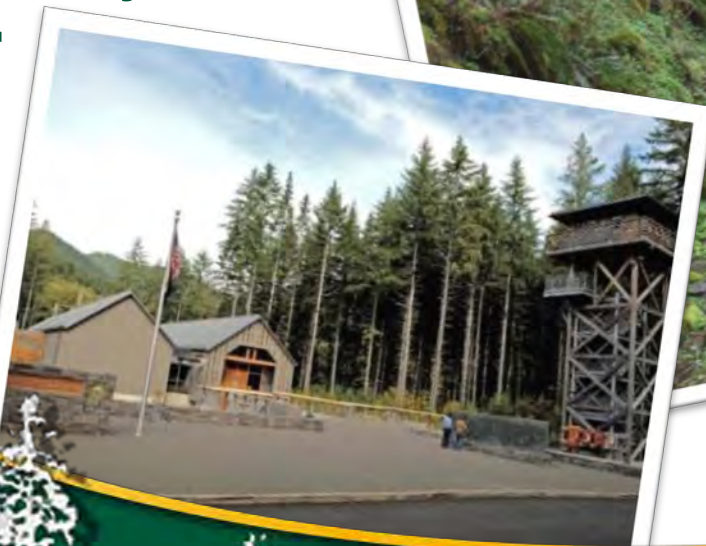
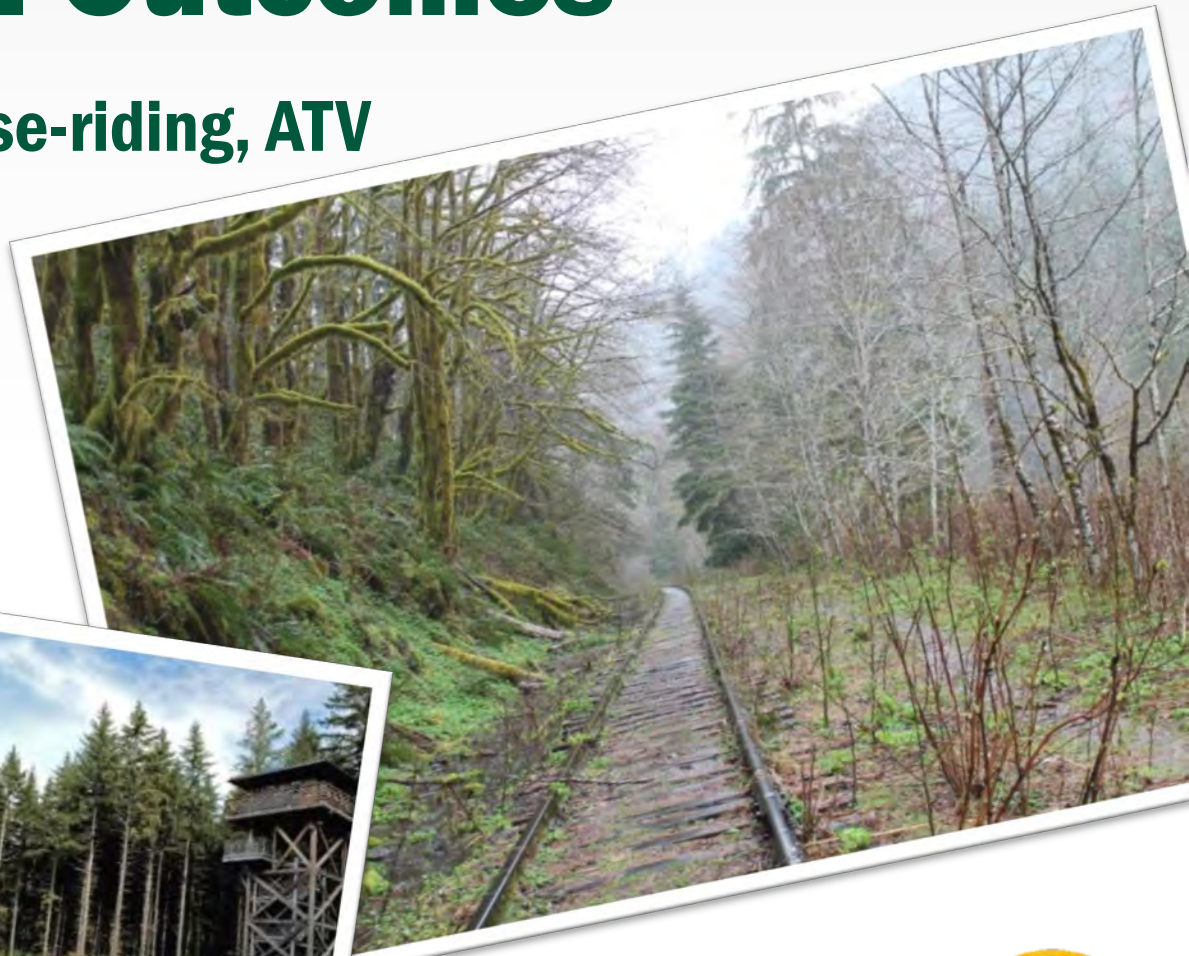
- Manage to maintain, protect, and restore habitats
- Riparian buffers for over 8,000 miles of streams
- Collaboration with Dept. of Fish and Wildlife



Social Benefits

REI Outcomes

- Trails – hiking, horse-riding, ATV
- Campgrounds
- Tillamook Forest Center
- Salmonberry Trail partner



Challenges And Opportunities



Revenues And Expenditures



- **Self Funded, Almost Entirely Through A Share Of Timber-sale Revenue**
- **Costs Of Providing Greatest Permanent Value: Timber Sales, Reforestation, Road Maintenance, Resource And Fire Protection, Recreation, Education, Interpretation**



Three Approaches To Challenges

- Improved business practices
- Policy revisions
- Alternative sources of revenue



Business Improvements - Log Sort Sales

- **Objective:**
 - Increase net revenue to ODF and Counties.
- **Methodology:**
 - ODF contracts for logging activities and receives revenue for logs delivered to mill.
 - The revenue for logs delivered to mill offsets the costs of these activities.



Business Improvements - Workforce Reorganization

- **Objective:**
 - Establish nimble workforce that is financially sustainable while supporting our mission.
- **Methodology:**
 - Centralizing workgroups and reorganizing staff, leading to fewer positions
 - Streamlining workflows, to improve efficiency of service delivery



Policy Revisions

- **Revisions to current Forest Management Plan**
- **Explore possibility of Habitat Conservation Plan**



Other Sources Of Revenue



- **Timber is primary source of revenue**
- **Exploring new models for funding State Forests**



Militia Approach

- **State Forests supports Fire Protection**
- **Critical contributions to Agency mission**
- **Impacts service level, stretches resources**



Common School Forest Lands



- ODF manages 33,000 acres of Common School Forest Lands
- Timber sale revenues to Common School Fund
- Management expenses are reimbursed



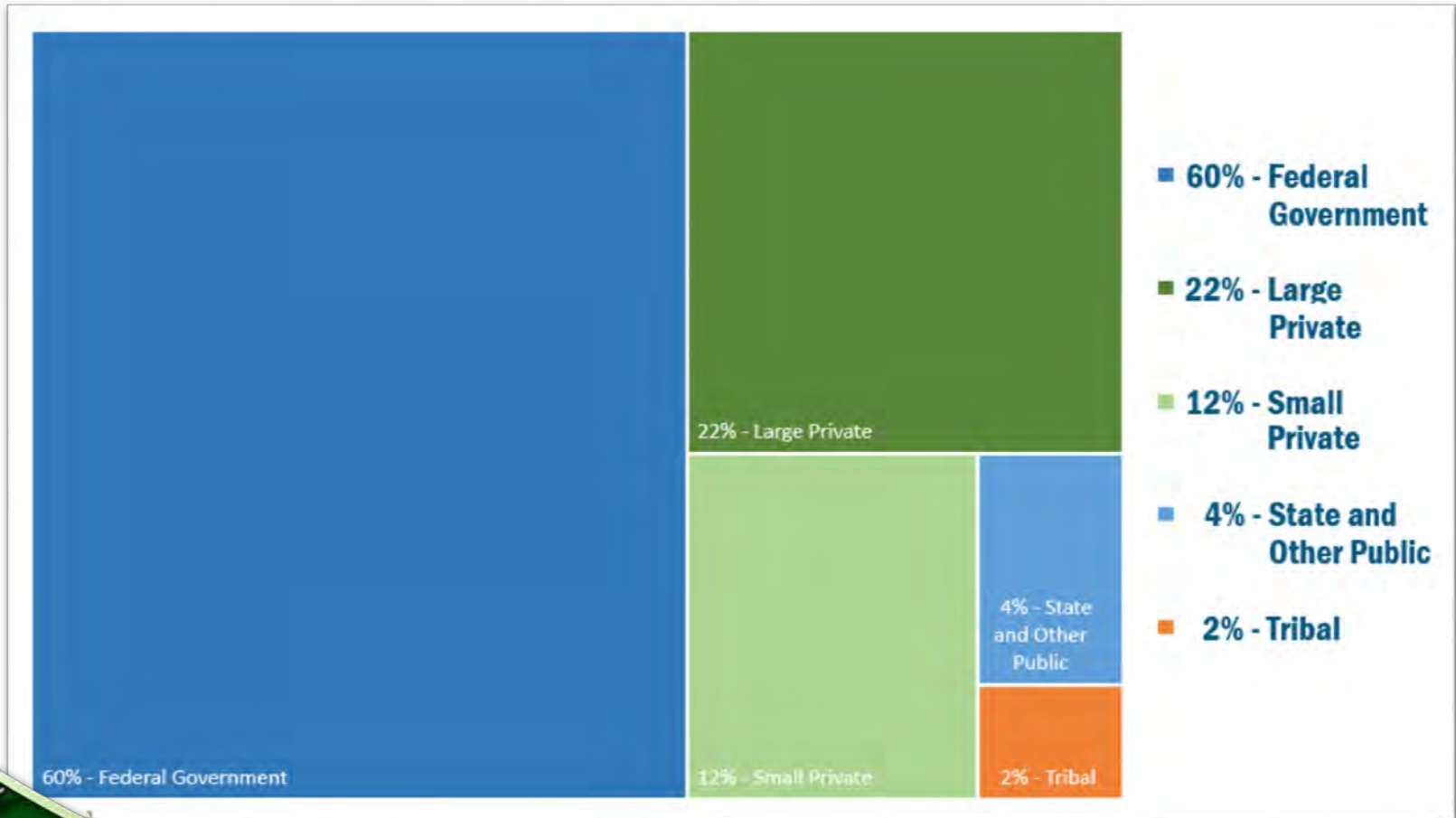


Private Forests

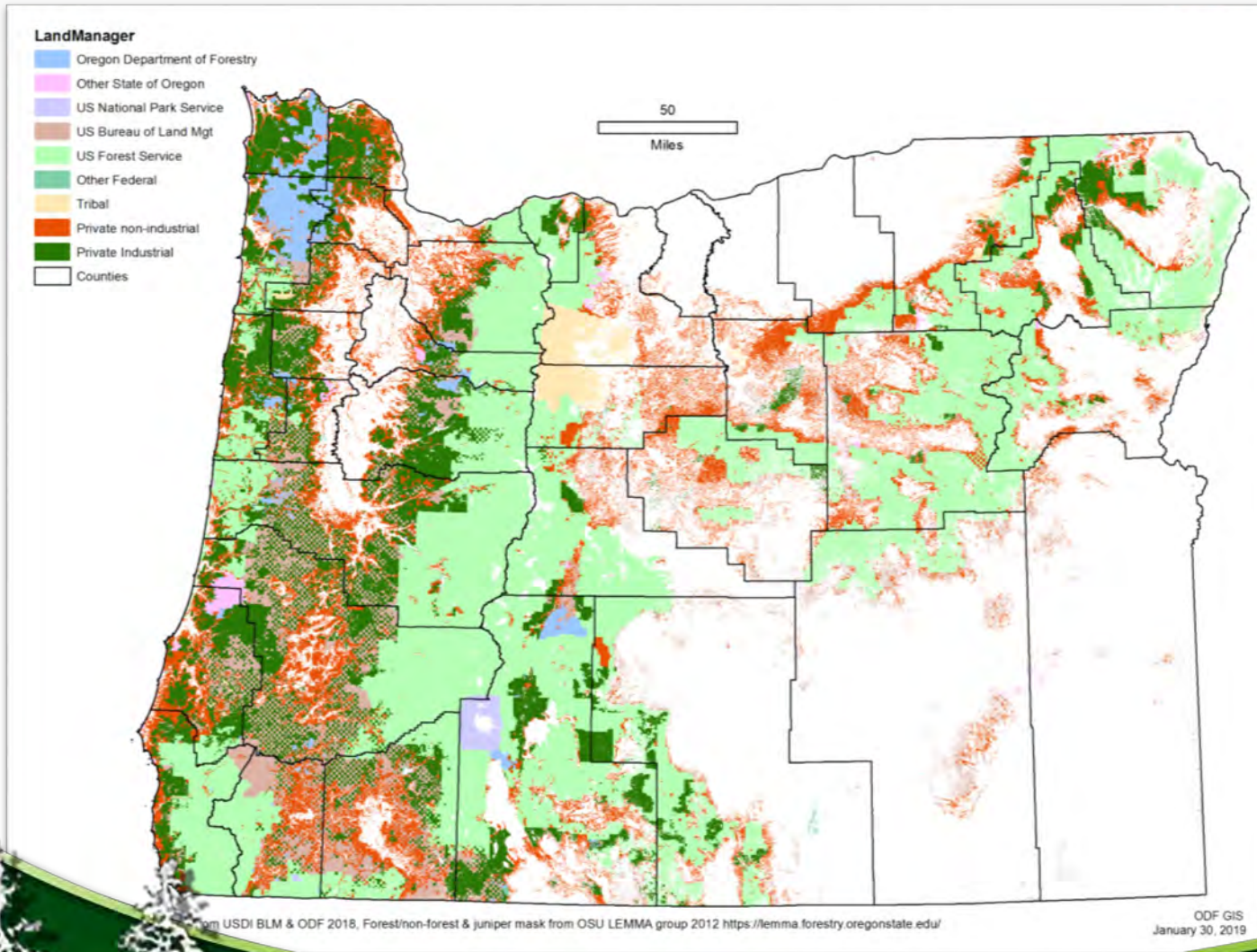
Keeping Private Forestlands Healthy, Intact, And Working



Who Owns Oregon's Forests?

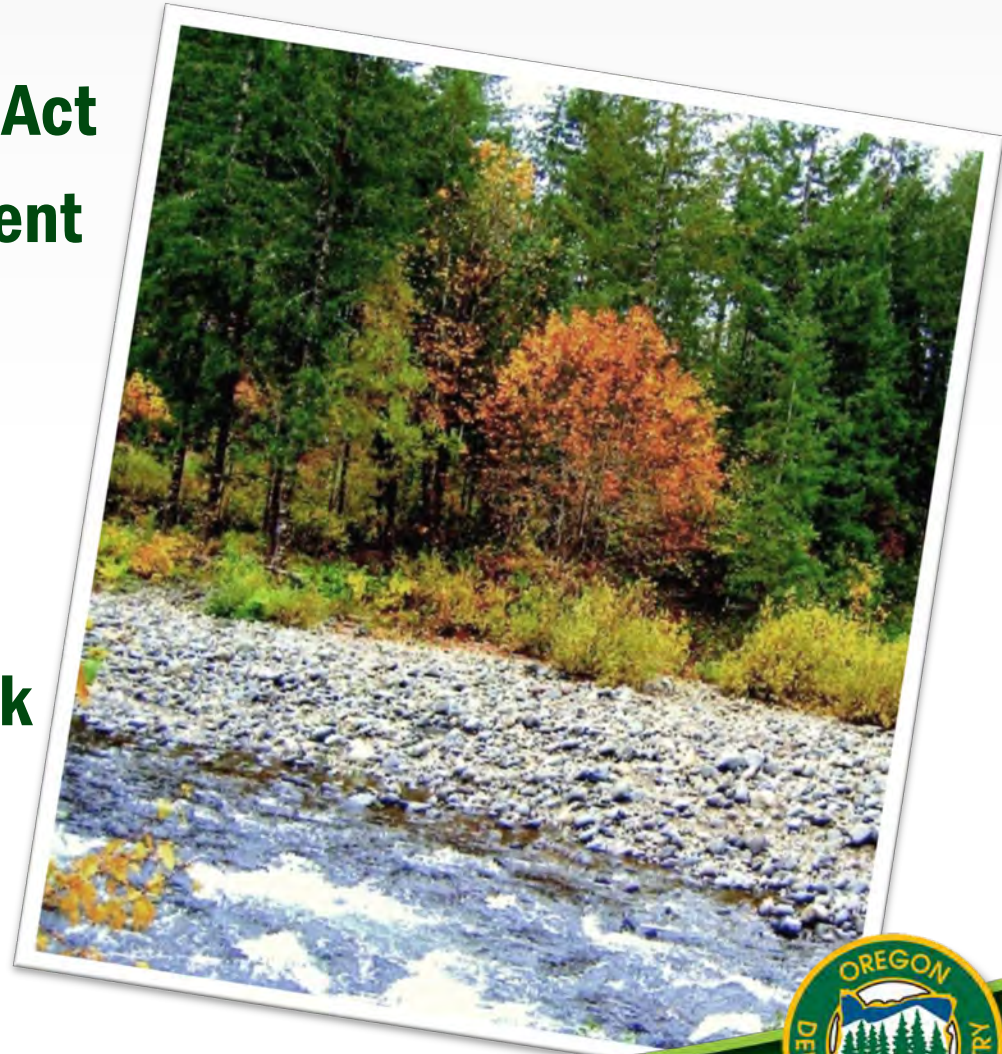


Oregon's Forest Land Ownership



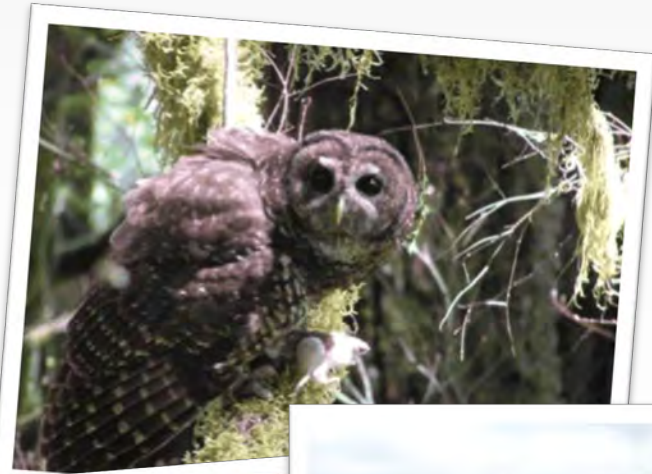
Six Sub-programs

- **Oregon Forest Practices Act**
- **Forest Health Management**
- **Family Forestland Assistance**
- **Urban and Community Forestry**
- **Seed Orchard, Seed Bank**
- **Biomass**



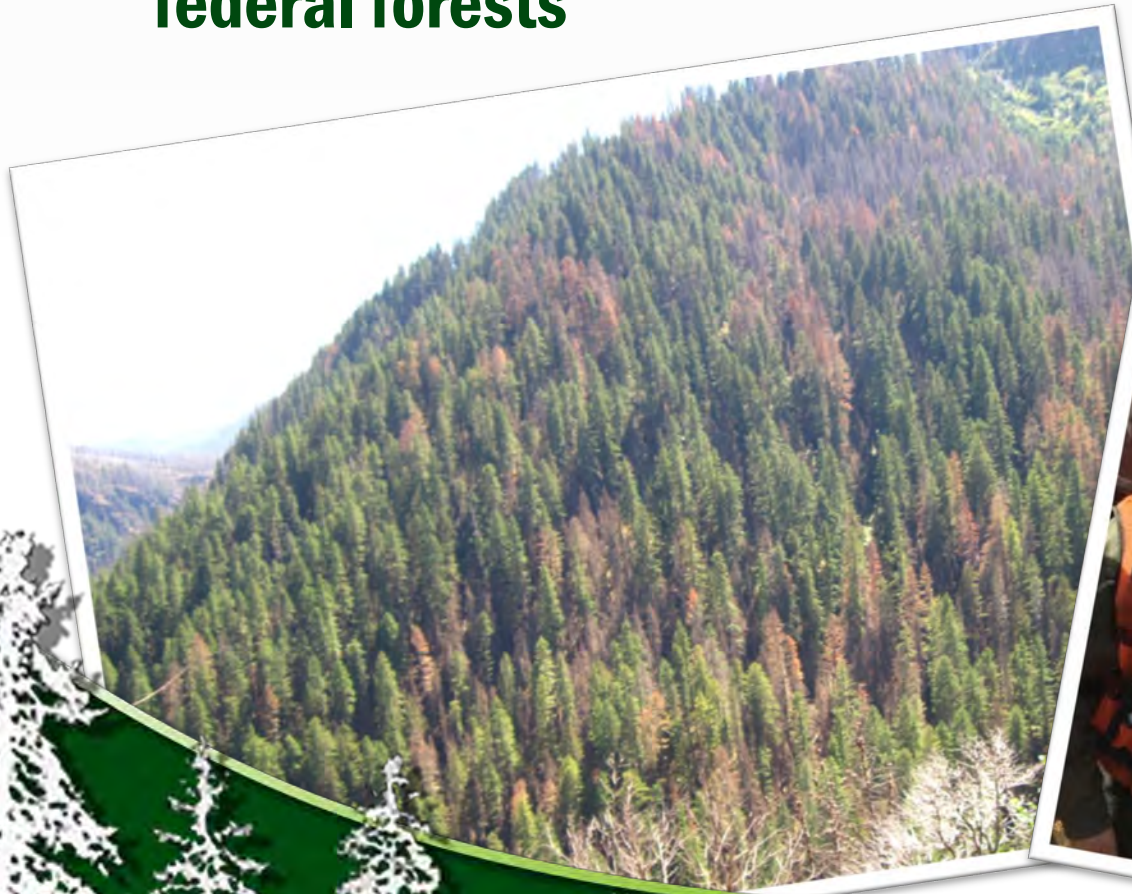
Oregon Forest Practices Act

- 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

- **Helping Oregonians improve their quality of life by promoting community investment in our urban forests**



J.E. Schroeder Seed Orchard And Oregon Seed Bank



Biomass Utilization



Strategies And Outcomes



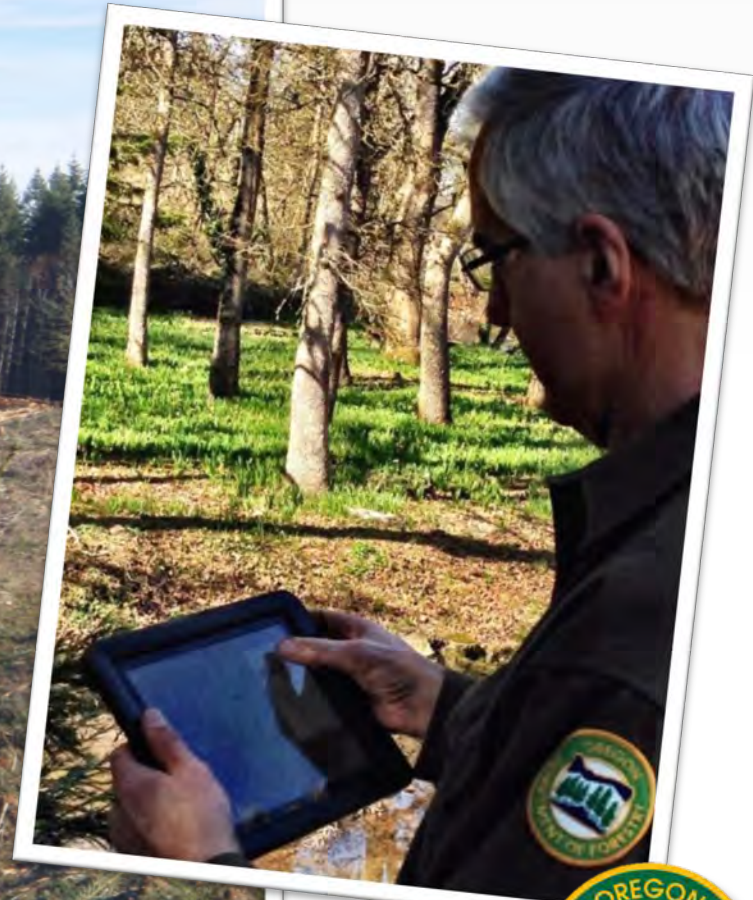
Boots On The Ground



Compliance With FPA



Online Notification System And Mobile Field Capability



Forest Practices Compliance Audit



Effectiveness Monitoring



Forest Health Technical Assistance

- Monitor forest insects and diseases
- Provide technical advice



Family Forestland Technical Assistance



Oakes family (NW Oregon):
2018 Oregon Outstanding
Tree Farmers of the year



Urban Forestry Outreach

- A healthy urban forest doesn't happen by chance – it is the result of proper planning, management, and community investment.



Funding

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



Challenges And Opportunities



Complex Working Environment



Forest Health



Water Quality



Private Forests, Fire, And Core Business





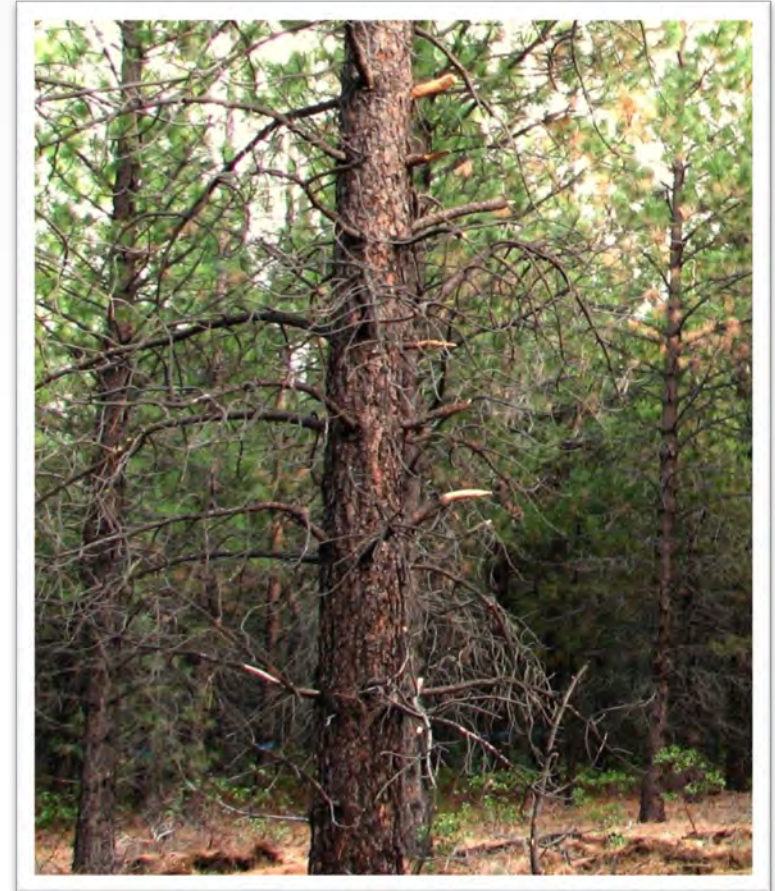
Federal Forest Restoration

Increasing pace, scale and quality



Brief History

- **Board of Forestry formed the Federal Forest Advisory Committee**
 - **2009 Report called for state investment**
- **Federal Forest Restoration Program initiated by Legislature in 2013**
- **Good Neighbor Authority, 2014 Farm Bill**



Oregon's Case



- **Many Oregon forests at elevated risk for uncharacteristic wildfire**
- **Economic, social costs of rural unemployment**
- **Shared Stewardship will build off our network of strong collaborative groups**



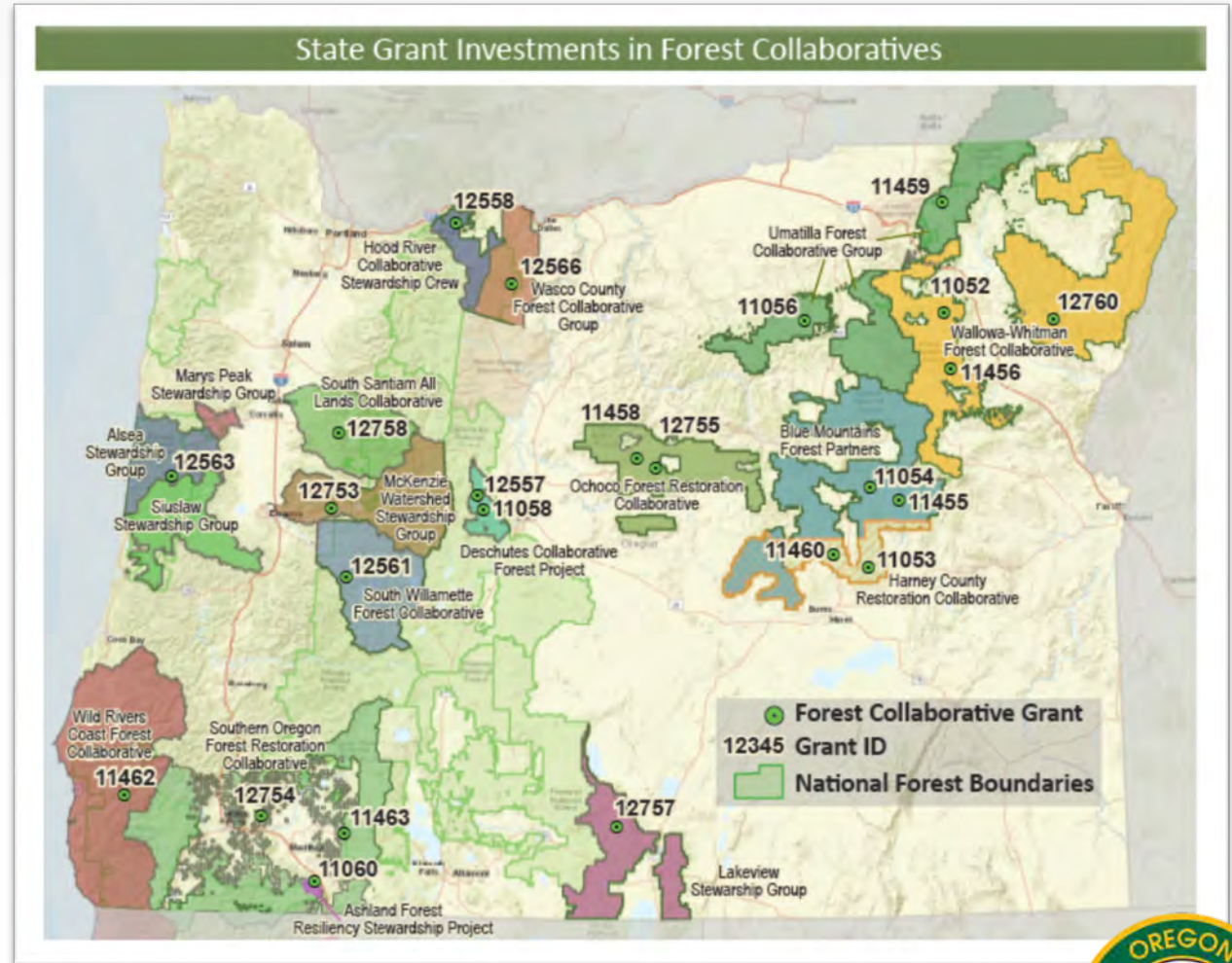
The Oregon Model

- Increase support for active restoration
- Accelerate project approval
- Implement treatments



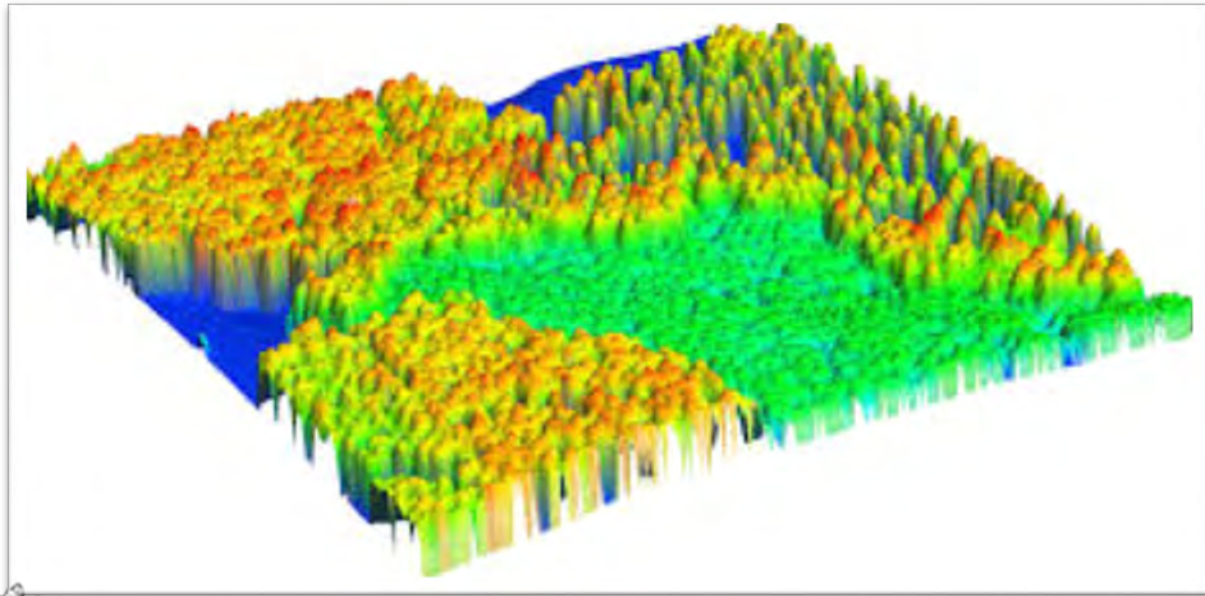
Collaborative Support

- Grants
- Technical Assistance



Project-level Analysis

- **Data collection**
- **Contract environmental assessment**



Implementing Treatments

- **State funds**
 - **Timber sale layout for USFS-offered sales**
- **Good Neighbor Authority**
 - **Noncommercial restoration treatments**
 - **Timber sales**



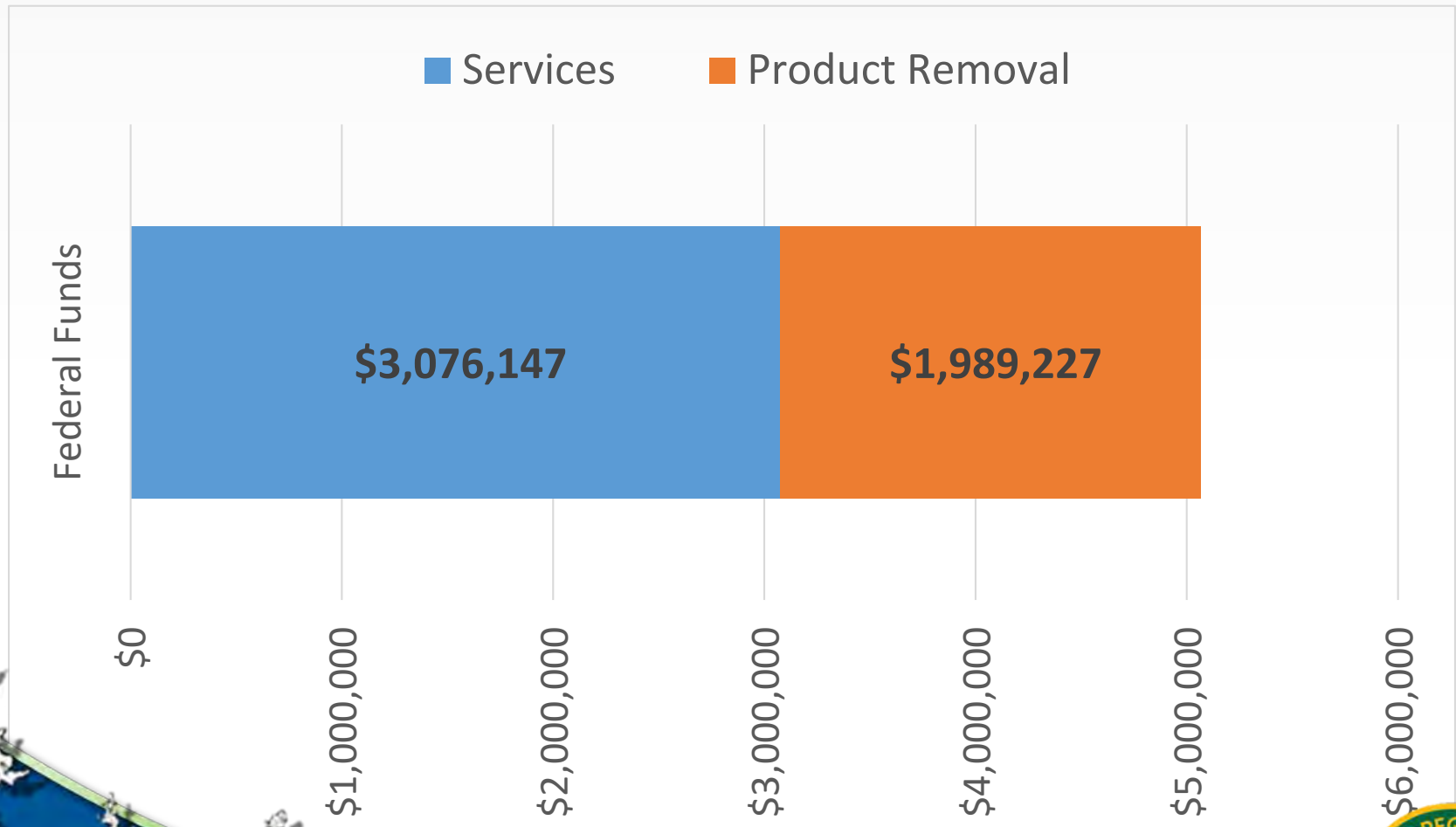
Good Neighbor Authority



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

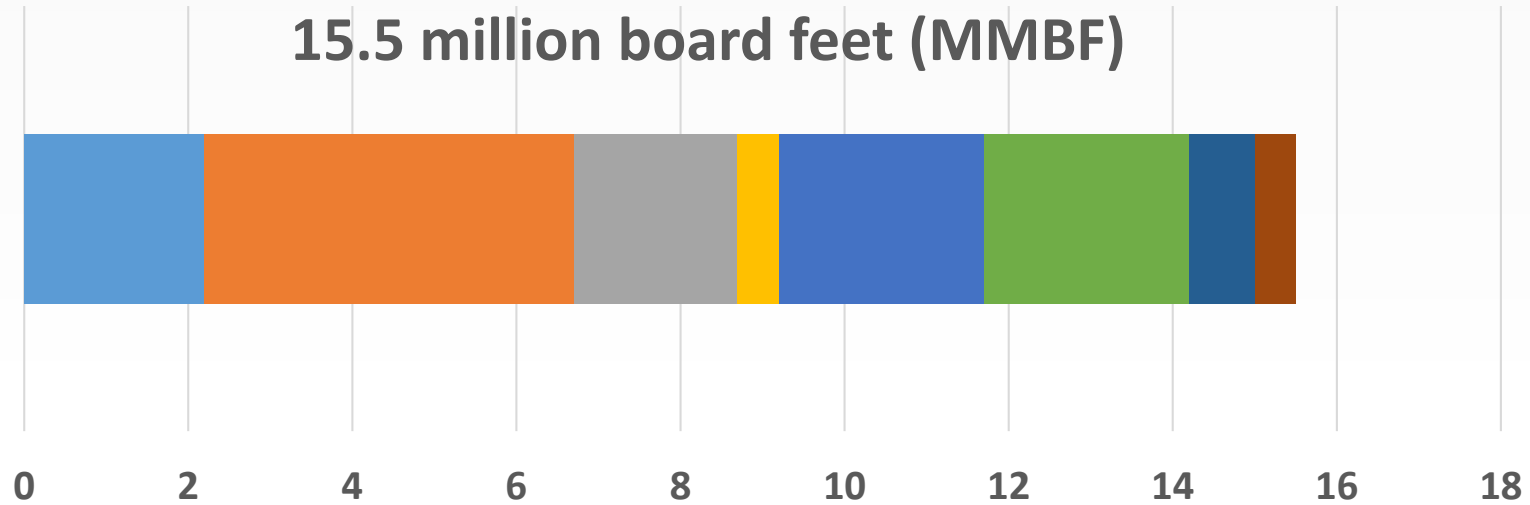


GNA Projects Statewide



GNA Timber Sales

15.5 million board feet (MMBF)



■ Paddock Butte

■ Park

■ Lobert 1

■ Sparta

■ Chetco Bar Roadside Salvage

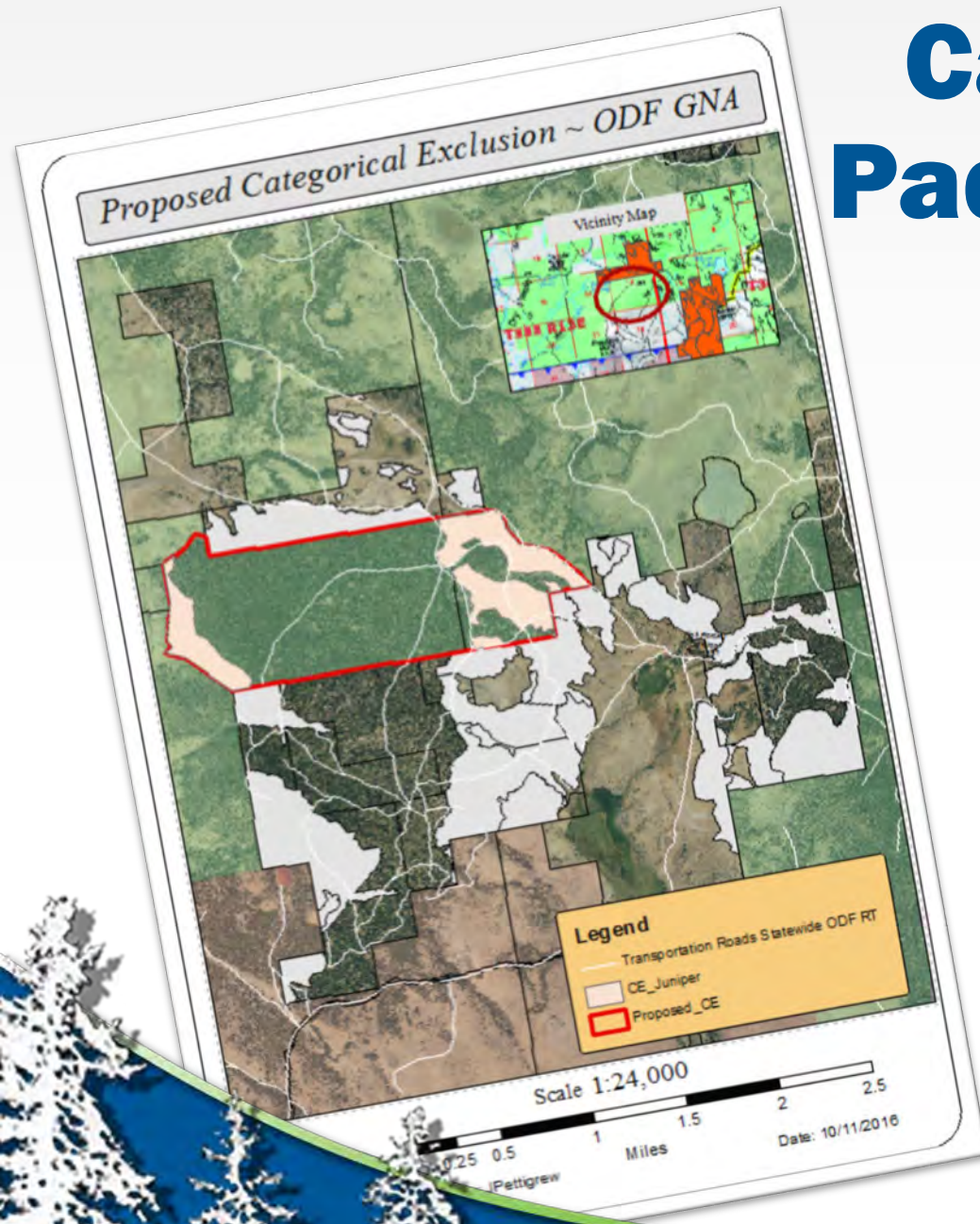
■ Cain

■ Lobert 2

■ Cobb

Case Study: Paddock Butte

- Timber sold by ODF in June 2018
- 2.2 million board feet
- Similar treatments implemented on adjacent private lands



Next Phase

- **Contracted project assessment**
- **Categorical Exclusion**
- **Current projects**
 - **Miller Lake – Klamath Co**
 - **Swamp Creek – Douglas Co**
 - **Catherine Creek – Wallowa Co**



Shared Stewardship

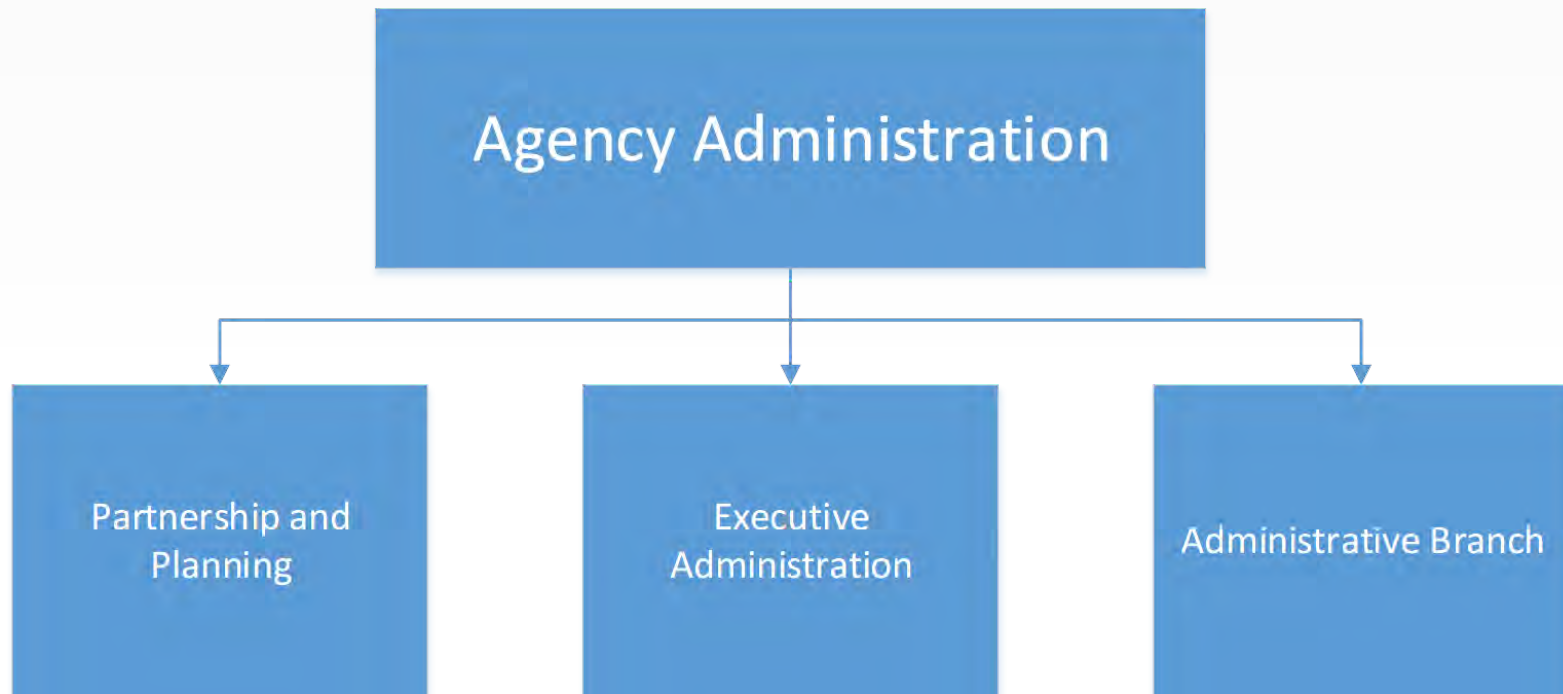
- Secretary of Agriculture's strategy for increasing work on the ground
- Oregon held up as a model
- ODF working on state-level agreement with USFS
- Implement through our FFR Program



Agency Administration



Agency Administration



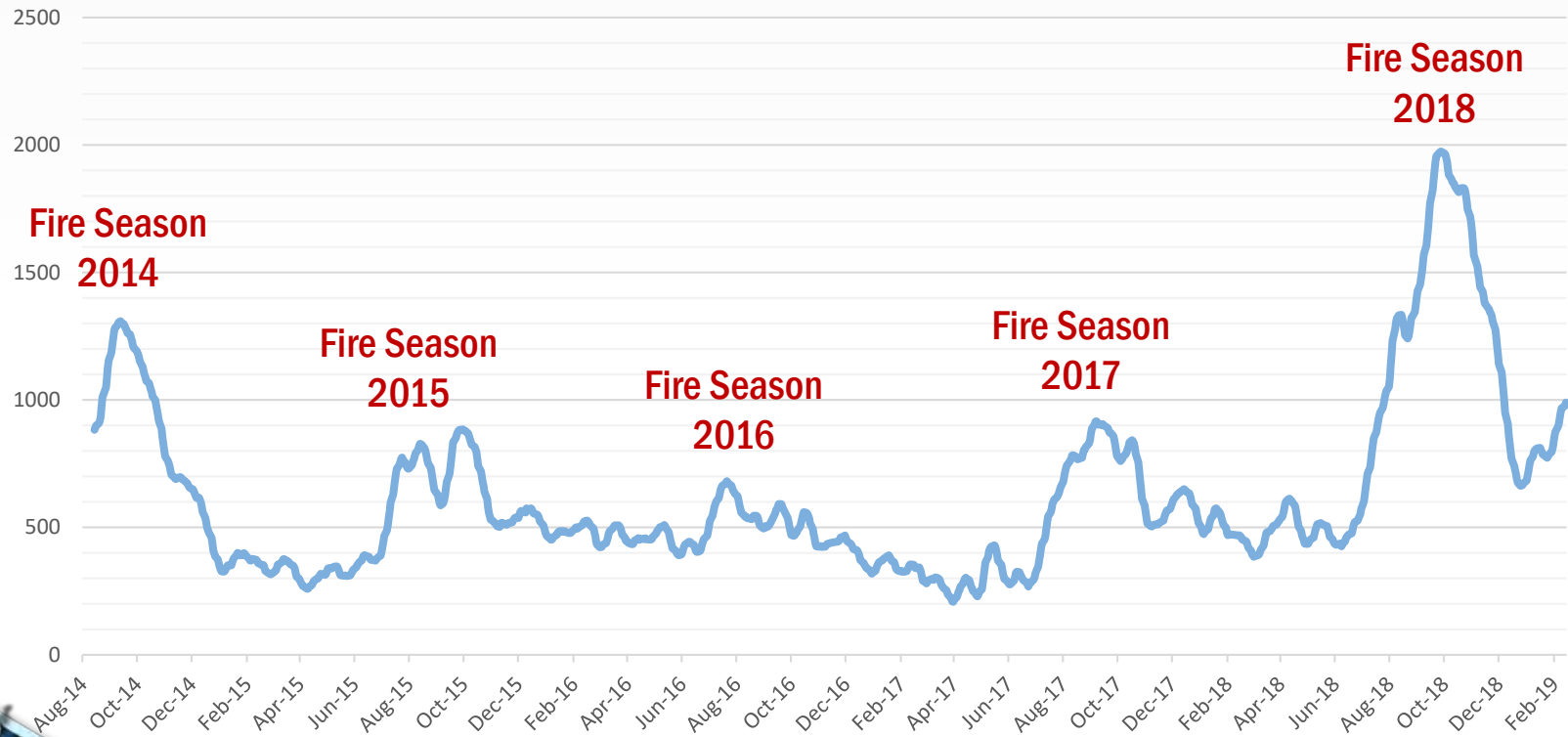
Support For Fire

- Militia and Team Support
- Emergency Resilience



Post-fire Efforts And Effects Of Fire Season

Outstanding Items In Accounts Payable



Budget Environment And Challenges

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



Strategies

- Excellence in service
- Key partnerships
- Efficient program delivery
- Accountability
- Business Process Improvements



Efficiency And Process Improvements

- **Outcome-based Management Framework**
 - Systems to provide greater efficiency and transparency
 - Process improvement through leveraging resources and alignment of work
- **Addressing Technology Debt**
 - ForestryBuys (OregonBuys)

Name	Measure	Owner	Collection Frequency	Reporting Frequency	Status
Surplus Inventory Property/Asset Mgmt	Tracking the total number of property/surplus transactions, duration of active transactions, and quality of service(s) provided.	FCM Program - Property Unit	Real Time / Monthly / Quarterly / Annual	Quarterly (more frequently if warranted)	Yellow bar
Solicitation/Contract Development & Execution	Total number of solicitations, contracts, amendments and work orders processed (over \$10,000)	Rand, Shannon	Monthly	Yearly	Green bar
Procurement Training and Guidance	Total number of people who obtain procurement and/or contract administration training each biennium.	Rand, Shannon	Every 6 months	Yearly	Red bar
Procurement Management	Rating of service from Program	Rand, Shannon	Yearly	Yearly	Green bar
GIS Unit	Number of quality checks performed	Kaser, Cara		Yearly	Green bar
Technical Support Unit	Average time to assign and give first response to customers.	GRIMSRUD, Brent	Monthly data collection	Monthly	Green bar
Technical Support Unit	Tickets created	GRIMSRUD, Brent	Monthly data collection	Monthly	Yellow bar
Application Development and Support Unit	Total time of application availability	Kaser, Cara	Monthly data collection	Monthly	Red bar
A/IT Units	Rating positive or negative for a given interaction with IT	GRIMSRUD, Brent	Daily	Monthly	Green bar
			Monthly data collection	Monthly	Green bar



Funding

- Paid by agency programs based on usage
- Federal Funds





Governor's Budget



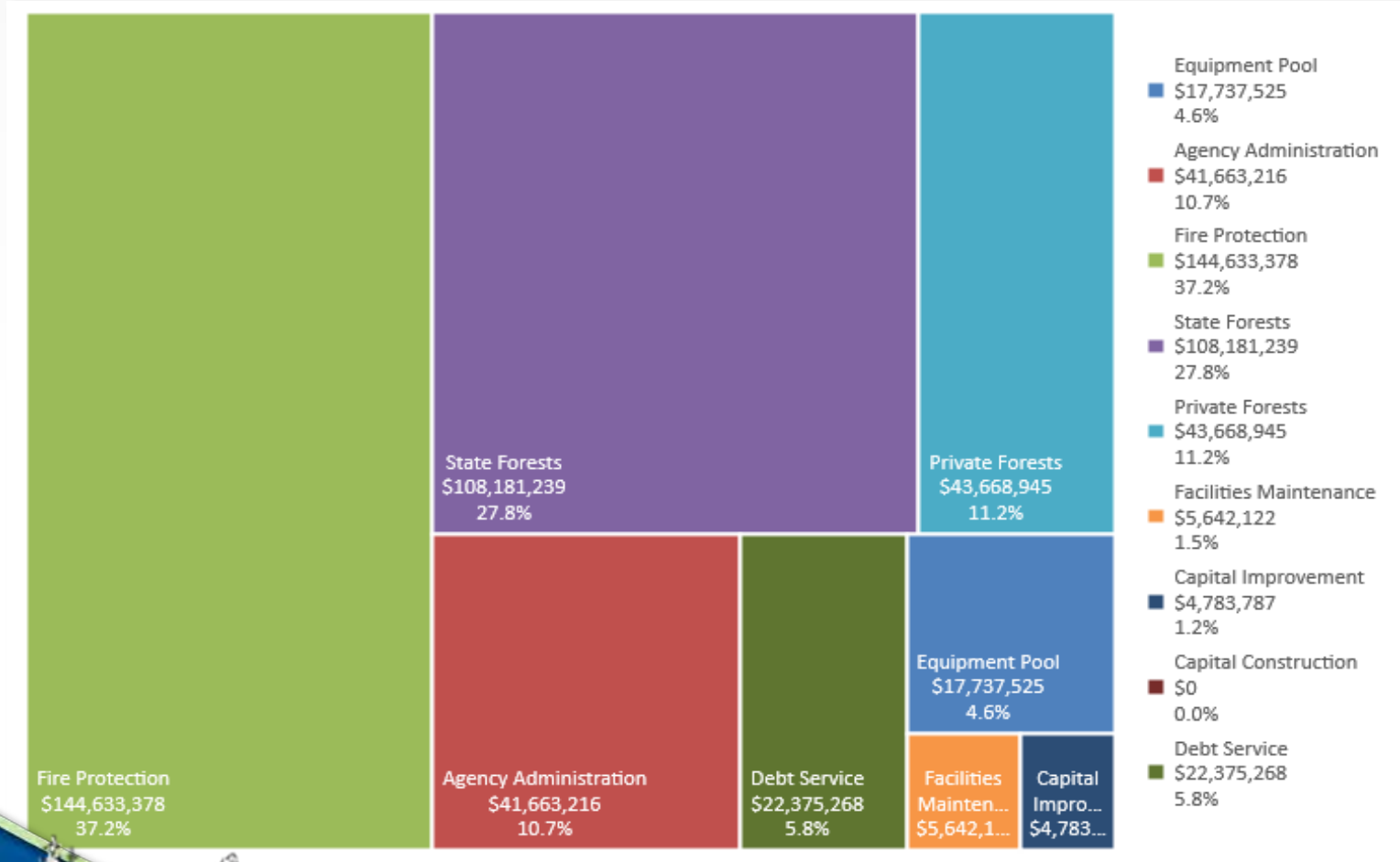
2019-21 Governor's Budget

General Fund	\$88,317,235
Lottery Funds	\$2,605,450
Other Funds	\$262,398,892
Federal Funds	\$35,363,903
Total Funds	\$388,685,480
Full-Time Equivalent (FTE)	845.83



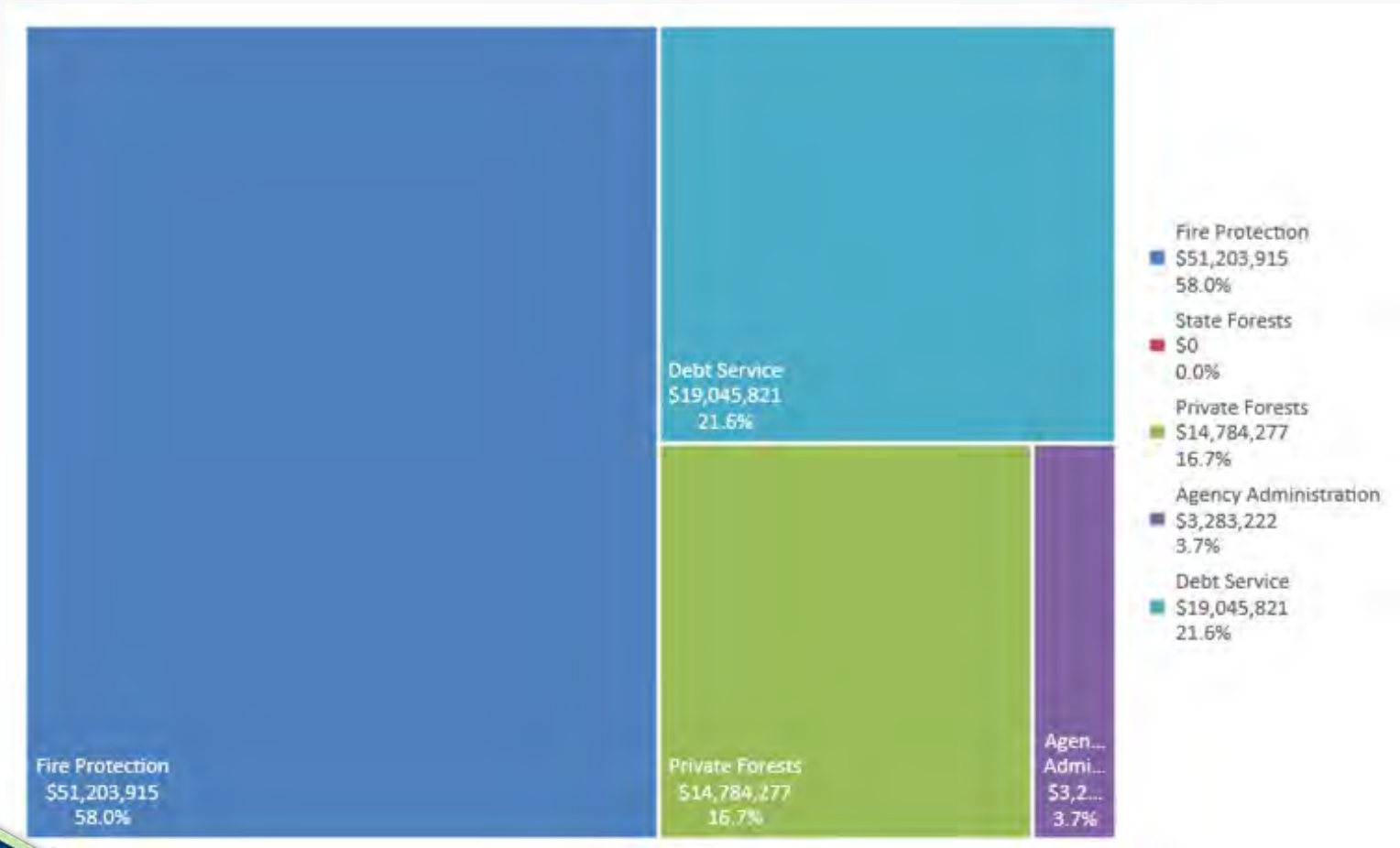
2019-21 Governor's Budget

By Program Area



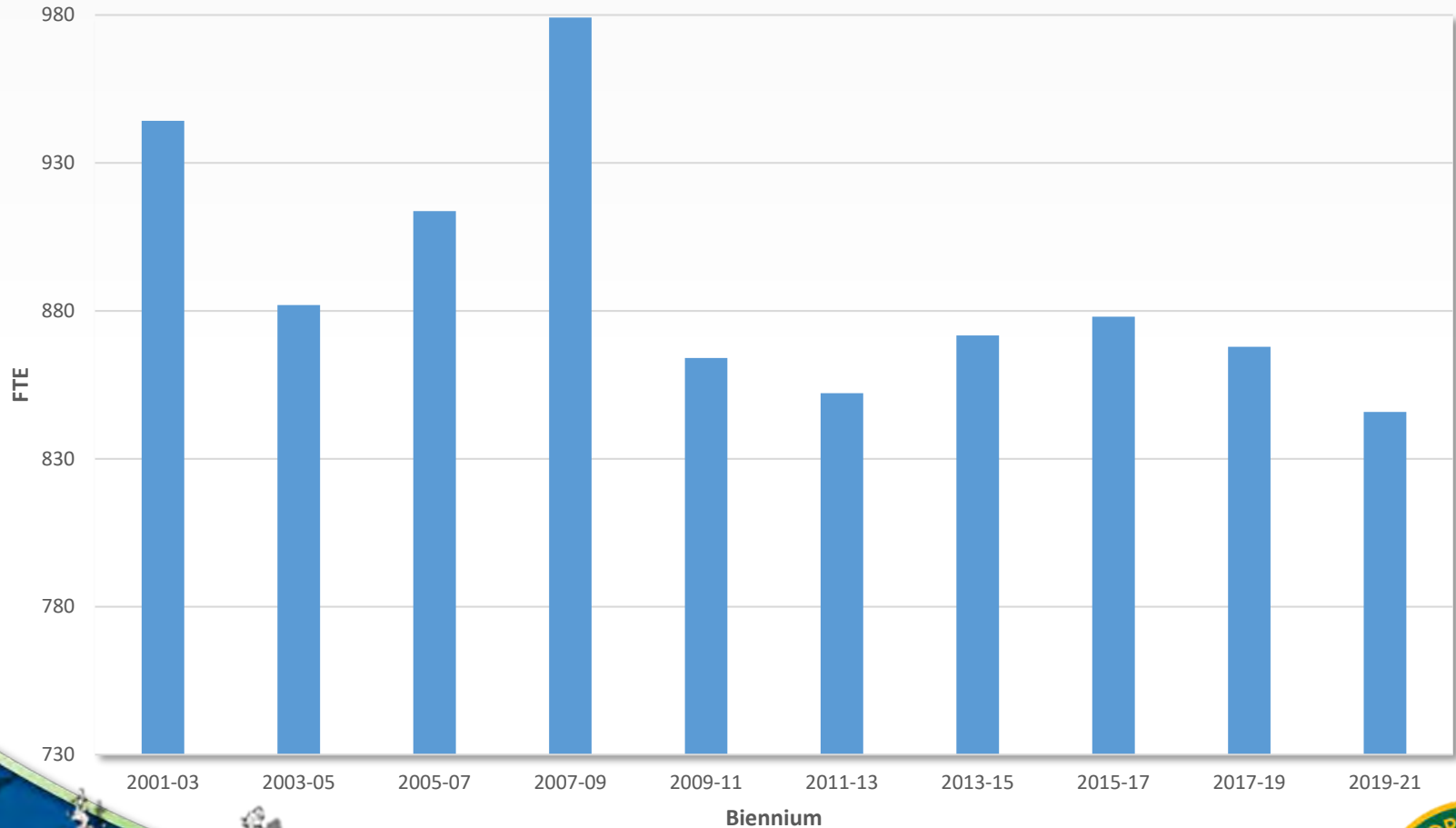
General Fund

By Program



Full-time Equivalents

2001-2019 Legislatively Approved FTE & 2019-21 Governor's Budget FTE



2019-21 Governor's Budget

Policy Option Packages and Reductions

Policy Option Packages	General Fund	Other Fund	Federal Fund
Special Purpose Appropriation	\$6,000,000		
Sort Sale Limitation		\$12,000,000	
Common School Lands PS Restoration		\$534,435	
Reductions	General Fund	Other Fund	Federal Fund
Analyst Adjustments	(\$3,162,587)	\$1,377,886	(\$104,545)
Statewide Attorney General Adjustment	(\$7,319)	(\$31,686)	(\$25,774)
Statewide DAS Charges Adjustment	(\$239,752)	(\$906,921)	(\$38,030)



Reduction Options Highlights

Program	Reduction	Impact	General Fund	FTE
Federal Forest Restoration	Seasonal Workforce	Reduces funding to retain seasonal workforce to complete timber sale layout	\$516,730	3.33
Federal Forest Restoration	Technical Assistance, Science Support, and Data Collection Contracts	Eliminates Funding to Local Collaborative Groups, Incentives to Innovate Data Collection Methods	\$775,000	0.00
Fire Protection Private Forests	Stewardship Forester Fire Prevention	Statewide reduction in Fire Prevention, Industrial Fire Enforcement, and Fire Militia Participation	1,552,623	7.00
Fire Protection	Rangeland Association Support	Eliminate RPA Training and Equipment Funding	\$261,000	0



Reduction Options Highlights

Program	Reduction	Impact	General Fund	FTE
Private Forests	Forest Health Insect and Disease	Eliminate SOD treatment and staffing, Invasive Species Program, and Aerial Survey	\$510,245	1.62
Private Forests	Forests Practices Act Compliance	Eliminates Funding for Compliance Audit, Siskiyou Monitoring Project, Delay in Ripstream Analysis	\$856,500	3.83
Private Forests	Biomass Program	Eliminate Biomass Program	\$171,740	.70
Agency Administration	Workforce Reduction	Service Level Degrades in Finance, IT, Public Affairs, Procurement, Facilities, Policy and Planning, and Budget	\$2,041,000	11.00



2018 Key Performance Measures

	Key Performance Measure	Target	Actual
1	Customer service to county governments and forest landowners	100%	83%
2	Board of Forestry performance	100%	100%
3	Forest Practices Act compliance	100%	97%
4	Urban and community forest management	50%	39%
5	State Forests total revenue	3%	(4%)
6	Air quality protection	0%	0%
7	Private forestland managed at or above Forest Practices Act standards	Industrial – 6,000,000 acres Non-industrial – 900,000 acres	Industrial – 4,747,442 acres Non-industrial – 430,394 acres
8	Forest stream water quality	Increasing trends – 25% Decreasing trends – 5% Good to excellent – 80%	Increasing trends – 49% Decreasing trends – 5% Good to excellent – 74%
9	Voluntary public and private investments made to create healthy forests	\$103.3M	\$105.1M
10	State forests north coast habitat	30%	10.30%
11	Fires suppression effectiveness	98%	94.73%
12	Prevention of human-caused wildland forest fires	14 per 100,000 Oregon residents	19.25 per 100,000 Oregon residents
13	Damage to Oregon forests from insects, diseases, and other agents	96%	98.34%



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



Closing Thoughts



Thank You



Peter Daugherty, State Forester

503.945.7211

peter.daugherty@oregon.gov



Closing