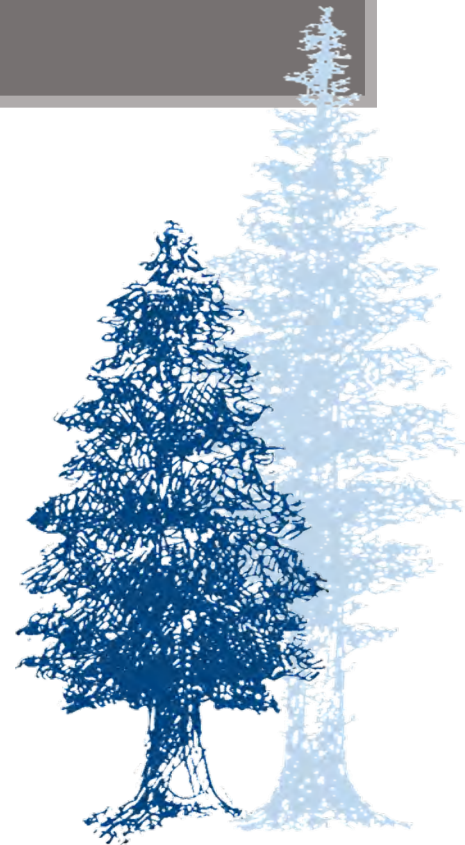




# 2021-23 Budget Presentation

**Supplemental materials**



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# Mission, Vision & Values

The Oregon Department of Forestry's **mission** is to serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.

Our **vision** for the future includes:

Healthy and resilient forested ecosystems and watersheds, with functional aquatic and terrestrial habitat, supporting vibrant local communities, and providing quality outdoor opportunities for all Oregonians.

A workforce that reflects the diversity and values of Oregonians and a safe, inclusive, and supportive workplace that values all employees and allows them to reach their full potential in providing excellent public service.

An organization and culture that responsibly and collaboratively manages the public's resources to achieve the outcomes valued by Oregonians.

An innovative and adaptable organization with sufficient resources and appropriate policies to achieve its mission.

We **value**:

- Diversity, equity, and inclusion in all aspects of our business.
- Honesty and integrity.
- Safety in the workplace.
- Respectful, strong, cooperative working relationships.
- Involvement and cooperation of all Oregonians.
- Leadership in professional forestry.
- Innovation based on sound science.
- Excellent, efficient, and effective service.
- Individual initiative, effectiveness, and hard work.

# 2021-23 Governor's Budget



	2019-21 Legislatively Adopted Budget	2019-21 Legislatively Approved Budget	2021-23 Current Service Level	2021-23 Agency Request Budget	2021-23 Governor's Budget
<b>General Fund</b>	\$90,604,264	\$108,266,332	\$93,794,837	\$154,609,628	\$113,902,322
<b>Lottery Fund</b>	\$2,543,451	\$2,543,451	\$2,564,210	\$2,564,210	\$2,564,210
<b>Other Funds</b>	\$260,068,337	\$358,430,132	\$281,749,690	\$287,710,802	\$284,531,617
<b>Federal Funds</b>	\$35,483,276	\$37,283,276	\$37,632,564	\$37,326,999	\$37,493,713
<b>Total Funds</b>	\$388,699,328	\$506,523,191	\$415,741,301	\$482,211,639	\$438,491,862
<b>Positions</b>	1,153	1,155	1,149	1,249	1,195
<b>FTE</b>	848.99	849.83	847.71	948.68	895.18

## Highlights – Recommended Packages

### Continuation of Funding for Fire Severity Resources & Insurance Costs (Pkg. 100)

As in previous biennia, establishes a Special Purpose Appropriation in the Emergency Board Fund to pay the state's share of fire insurance premium costs, and to provide critical, mobile resources—primarily contract air tankers and helicopters—positioned where and when fire danger is the highest.

Fiscal Impact: \$8,000,000 General Fund, 0 FTE, 0 Positions

### Fire Protection: Fire Org Sustainability & Modernization (Pkg. 101)

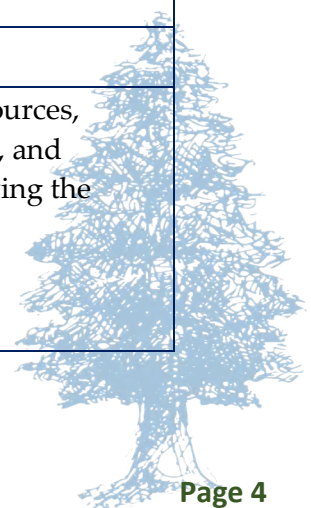
Adds additional capacity to maintain the state's complete and coordinated fire protection system, ensure that ODF's core business across all divisions can continue to be accomplished, and advance ODF's initial and extended attack strategy to remain effective in the context of growing fire complexity.

Fiscal Impact: \$6,466,865 General Fund and \$232,248 Other Funds, 28.47 FTE, 27 Positions

### Fire Protection: Next Generation Severity (Pkg. 102)

Provides for wildfire protection system investments including additional severity resources, rapid transport of firefighters by helicopter, two contracted next-generation air tanker, and additional call when needed detection aircraft. These investments are focused on slowing the increasing size and frequency of large fires across Oregon's landscape.

Fiscal Impact: \$20,000,000 General Fund, 0 FTE, 0 Positions



## Highlights – Recommended Packages

### Agency Administration: Forest Climate Change Mitigation & Adaptation (Pkg. 160)

Provides capacity to prioritize work related to Governor Brown’s Executive Order 20-04 including considering and integrating climate change, climate change impacts, and the state’s GHG reduction goals into our planning, budgets, investments, and policymaking decisions. With additional resources, ODF can prioritize work on cost-effective actions that will help vulnerable populations and communities adapt to climate change impacts.

Fiscal Impact: \$3,227,675 General Fund and -\$305,565 Federal Funds, 9.00 FTE, 9 Positions

### Capital Improvement & Debt Service: Deferred Maintenance (Pkg. 170)

During the 2017 Legislative Session, Senate Bill 1067 passed requiring the department to include at least 2% of the current replacement value of the department’s buildings and infrastructure for deferred maintenance in the Agency Request Budget.

Fiscal Impact: \$516,202 General Fund and \$4,885,000 Other Funds, 0 FTE, 0 Positions

### Agency Administration & Equipment Pool: Firefighter Life Safety (Pkg. 171)

Supports the critical life safety communication and location tracking equipment used by firefighters for emergency response efforts. Strategic investments are needed to ensure business continuity across multiple platforms, align with technological advances in the field, address critical infrastructure deficiencies, and enhance interoperability and standardization across the network.

Fiscal Impact: \$1,098,568 General Fund and \$526,501 Other Funds, 2.00 FTE, 2 Positions

### Agency Administration: Diversity, Equity & Inclusion (Pkg. 172)

Addresses capacity needs to ensure compliance with state laws, rules, and policies and further the development, implementation, and integration of strategies and best practices in the areas of diversity, equity and inclusion; environmental justice; enhanced sustainability; and Government-to-Government Leadership.

Fiscal Impact: \$238,738 General Fund and \$452,433 Other Funds, 2.00 FTE, 2 Positions

### Agency Administration: Facilities Capital Management Capacity (Pkg. 174)

Addresses capacity needs within the Facilities Capital Management Program to enable the responsive adaptation, recurring maintenance, and investments required to manage the department’s extensive statewide network of facilities.

Fiscal Impact: \$238,738 General Fund and \$452,433 Other Funds, 2.00 FTE, 2 Positions

### **Capital Construction & Debt Service: Toledo Facility Replacement Expansion (Pkg. 175)**

Establishes additional funding (bonding) necessary to continue work on the Toledo facility replacement expansion.

Fiscal Impact: \$104,470 General Fund and \$1,825,160 Other Funds, 0 FTE, 0 Positions

### **Agency Administration & Fire Protection: MGO Recommendations (Pkg. 200)**

Makes the staffing changes recommended by DAS-contracted financial consultants, MGO, to improve the department's fire finance activities. Includes shifting nine positions (8.50 FTE) currently reporting to the Fire Protection Division (SCR 010) to the Agency Administration Division (SCR 008) to provide better oversight, and adds four more positions (4.00 FTE) to Agency Administration to provide financial support and oversight to field operations and focus on fire-related accounts receivable.

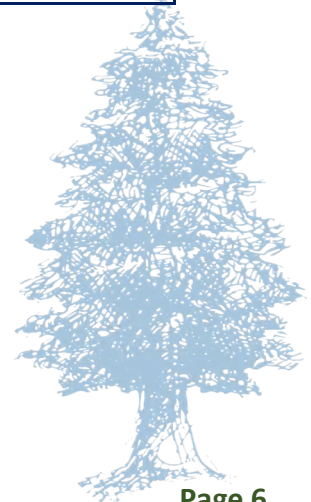
Fiscal Impact: \$439,322 General Fund and \$1,315,344 Other Funds, 4.00 FTE, 4 Positions

## **Highlights – Reductions and Fund Shifts**

The Governor's Budget recommends numerous reductions and fund shifts throughout the department, including:

- Reductions due to changes in Department of Administrative Services' assessments and charges.
- Reductions due to changes in Attorney General rates.
- Reductions due to vacancy savings and decreased inflation on services and supplies.
- Shift of administrative costs for base fire protection to a 50% General Fund and 50% Other Funds split.
- Shift of costs for Forest Practices Act administration to a 50% General Fund and 50% Other Funds (Forest Products Harvest Tax) split.
- Various fund shifts in funding for administrative positions and Federal Forests Restoration Program.

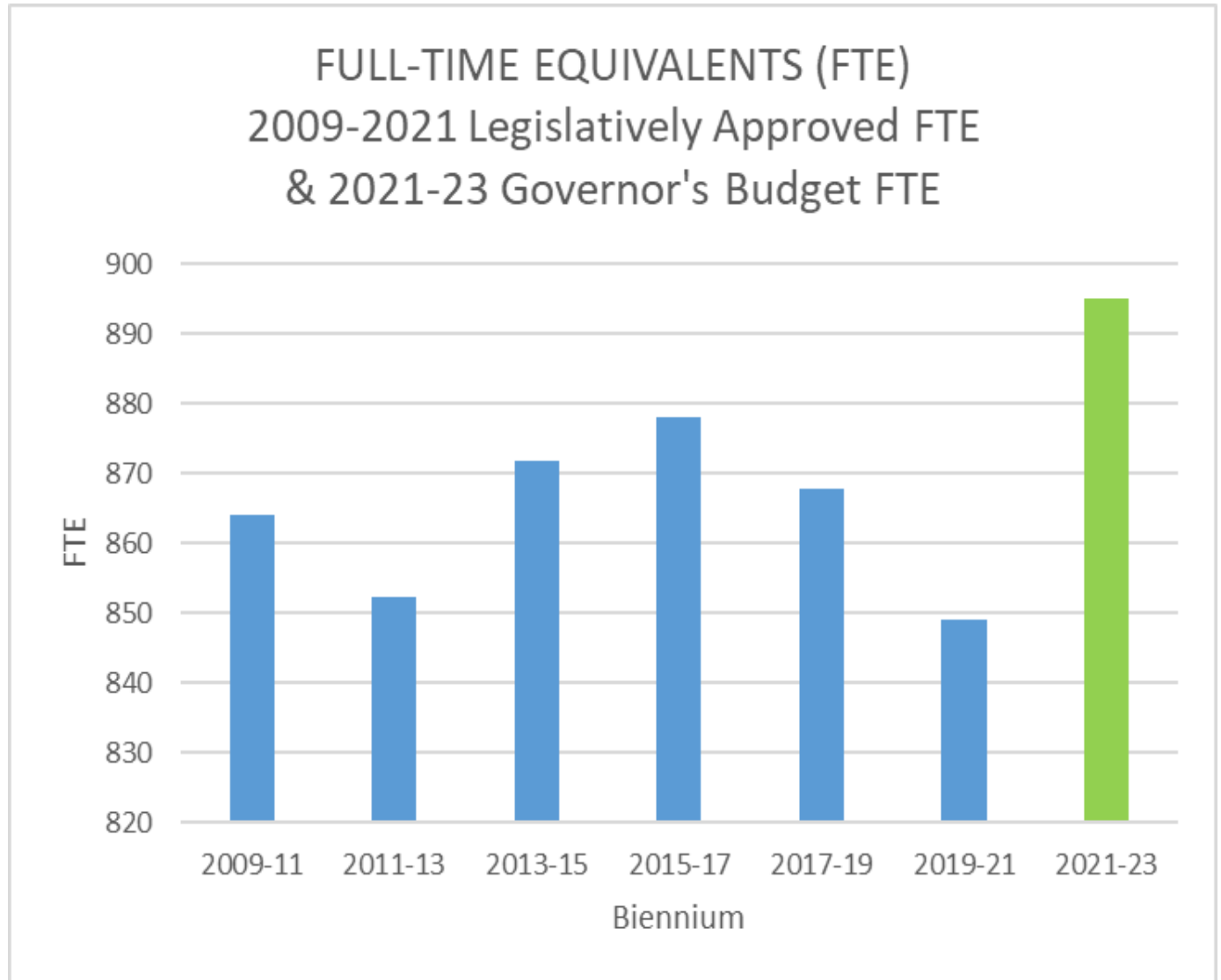
Fiscal Impact: -\$12,223,093 General Fund, -\$8,937,792 Other Funds and \$166,714 Federal Funds



**Chart 2 – Historic Full Time Equivalents**

Chart 2 shows historic full-time equivalents (FTE) for the department over the last 10 biennia and the Governor’s Budget for 2021-23, and compares them to the 2021-23 biennium. The 2021-23 FTE count is 895.18. The biennium with the highest FTE count was 2015-17 with 878 FTE. The lowest biennium for FTE was 2011-13 with 852.19.

FTE have been relatively constant over the last six biennia, despite major program and service additions to and expanded requirements of the Board of Forestry and the department. These additional responsibilities include administration of the Oregon Forest Practices Act, administration of the Oregon Plan for Salmon and Watersheds, administration of the National Fire Plan and Healthy Forests Restoration Act, decentralization of administrative services and risk management from the state level, and increased complexity of federal legal and regulatory requirements.

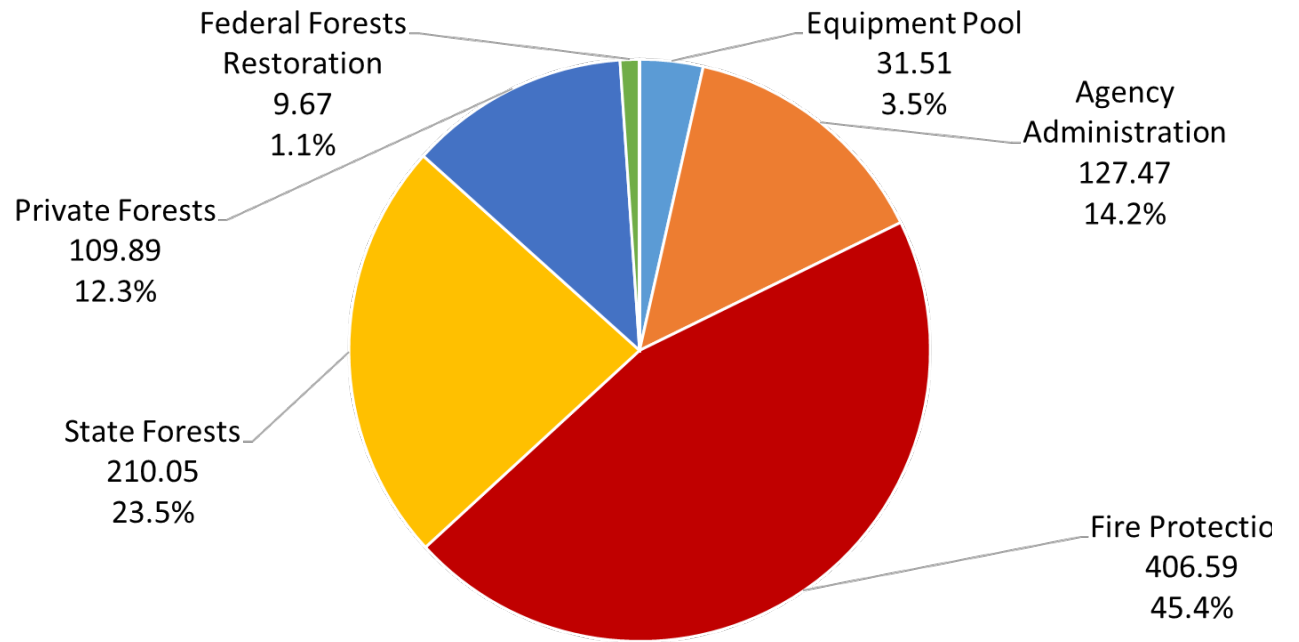


**Chart 3 – Governor’s Budget FTE by Program Area**

Most of the Governor’s Budget’s 895.18 FTE reside in the Fire Protection and State Forests divisions.

# 2021-23 Governor’s Budget

## FTE by program area (Total: 895.18)



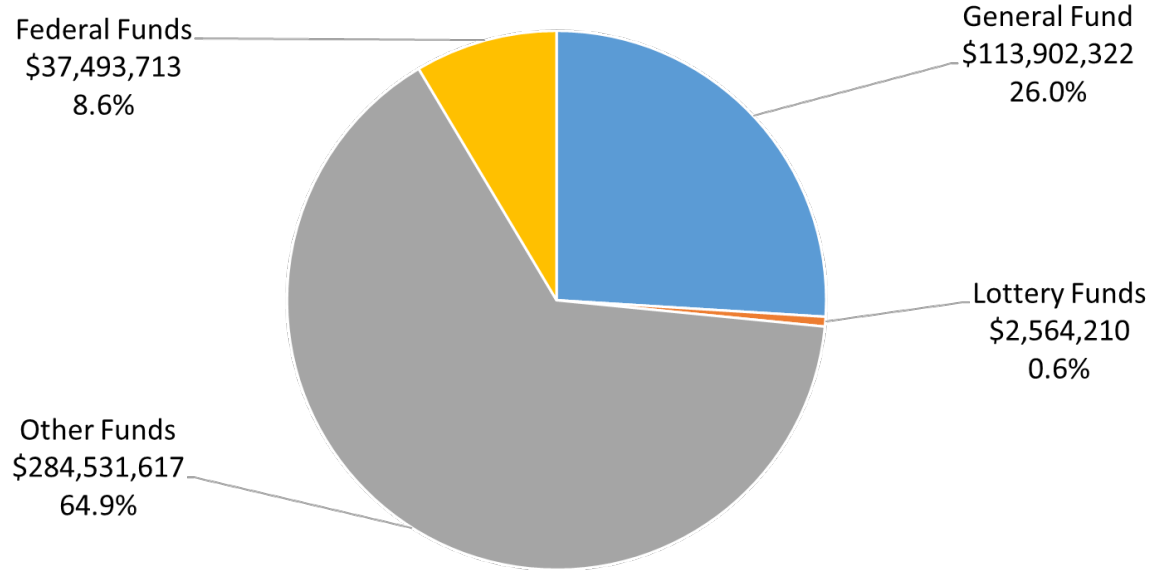


**Chart 4 – Governor’s Budget by Fund Type**

This chart shows the department’s 2021-23 Governor’s Budget by Fund Type.

The department’s 2021-23 budget consists of 65% Other Funds, 26% General Fund, 1% Lottery Funds, and 8% Federal Funds.

# 2021-23 Governor’s Budget by fund type (\$438,491,862)



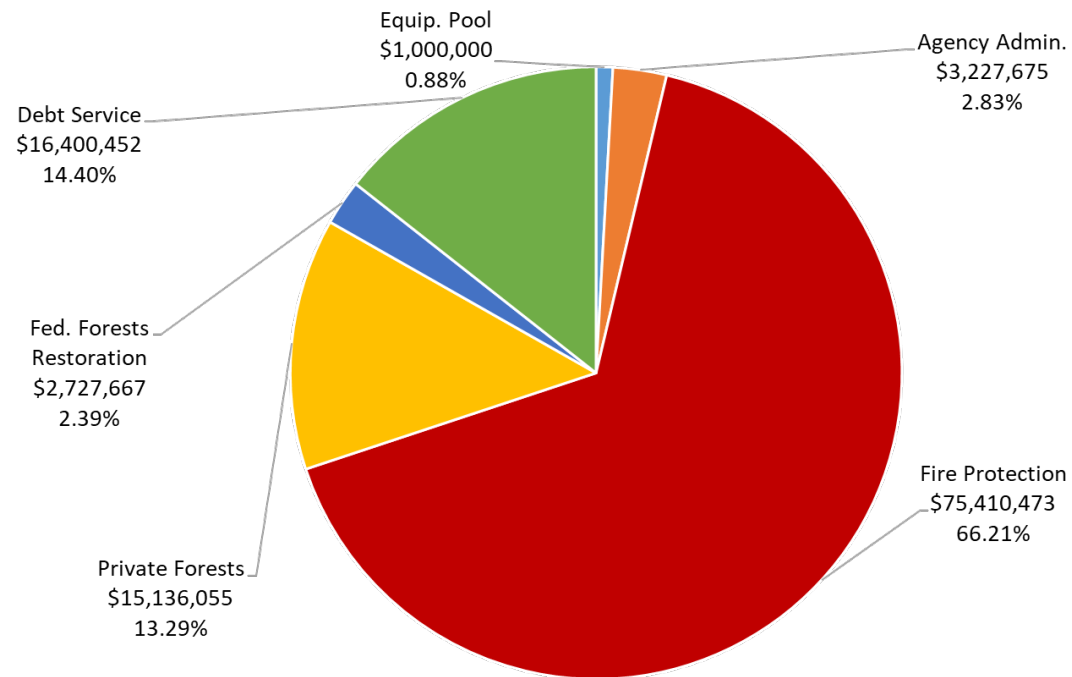
**Chart 5 – Governor’s Budget,  
General Fund by Program**

For 2021-23, five of the department’s program areas are supported by General Fund. These programs are Fire Protection, Private Forests, Federal Forests Restoration, and Agency Administration, along with Debt Service. General Fund in these programs leverages both Other and Federal Fund dollars. In the case of the Fire Protection and Private Forests divisions, the Other Fund linkages are statutorily established as forest landowner assessments for fire protection and the Oregon Forest Products Harvest Tax for Forest Practices Act administration. Two additional programs—Equipment Pool and Federal Forest Restoration—are requesting some General Fund for 2021-23.

Over 66% (\$75.4 million) of the department’s General Fund allocation is found in the Fire Protection Division.

# 2021-23 Governor’s Budget

## General Fund by program area (Total: \$113,902,322)





### *Mission Statement and Statutory Authority*

The Oregon Department of Forestry is a multi-program, multi-funded public state agency chartered and structured to administer the forest laws and policies of the state of Oregon, within a context of sustainable forests, for the benefit of all Oregonians.

#### ***Mission:***

***ODF serves the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.***

The department's top priority is providing fire protection on 16 million acres – just over half of Oregon's forestland base and a \$60 billion asset. This public-private partnership, part of a complete, coordinated system that also involves landowners, forest protective associations and other public agencies, seeks to protect public safety and to minimize cost and natural resource damage associated with wildfire.

The department also manages 762,000 acres of state-owned forests for multiple benefits, enforces the Forest Practices Act (a cornerstone of environmental protection in Oregon) and provides guidance and expertise to keep working forestlands in forest use so that all Oregonians can continue to enjoy their benefits.

The department also provides urban forestry assistance to help communities manage the many benefits of urban forests, and maintains a policy and planning program that helps provide strategic direction for the Board and the department, supports the Governor's Office, and develops forest information for use by policy makers, the general public and others.

The department maintains a set of administrative functions to support its principle businesses.

ODF's work fits within the *2011 Forestry Program for Oregon*, a strategic framework adopted and periodically updated by the Oregon Board of Forestry.

### ***Statutory Authority:***

The chief executive of the Oregon Department of Forestry is the State Forester, acting under the direction of the Board of Forestry. The Board consists of seven members appointed by the Governor and confirmed by the Senate as provided in ORS 171.562 and 171.565. Appointments made by the Governor shall include at least one member from each of the forest regions established under ORS 527.640. No more than three members of the Board may derive any significant portion of their income directly from persons or organizations that are subject to regulation under ORS 527.610 to 527.730 and 527.990(1). The term of office is four years, and no member of the Board can serve more than two consecutive full terms. The Board is charged by ORS 526.016 to "supervise all matters of forest policy and management under the jurisdiction of this state . . ."

The Board appoints the State Forester, who in turn is authorized to appoint other employees. The department and Board of Forestry authorities are contained in several chapters of the Oregon Revised Statutes, including:

- a. ORS 321 - Timber Taxes
- b. ORS 477 - Fire Protection of Forests and Vegetation
- c. ORS 526 - Forestry Administration; Urban Forestry, Seed Orchard, Woodland Management Act
- d. ORS 527 - Insect and Disease Control; Forest Practices Act
- e. ORS 530 - Acquisition and Development of State Forests
- f. ORS 532 - Branding of Forest Products and Booming Equipment

The department's administrative rules are contained in Chapter 629 of the Oregon Administrative Rules. In addition, a large portion of the department's administrative responsibilities and authorities are delegated by instruction, policy, or administrative rule from the Department of Administrative Services, the Secretary of State, the State Treasurer, and the Governor's Office.

### ***Agency Strategic Planning***

The department develops strategic plans and operational plans to carry out statutory mandates, and to implement the policies of the Board of Forestry. The department's strategic planning effort integrates several ongoing planning and budgeting processes, including development of agency biennial budget requests, Board of Forestry work plans, and development of legislative concepts. The broader strategic planning process identifies focus areas for pursuing or managing changes in department policies and programs. More specifically, these focus areas are called strategic initiatives or agency initiatives. Strategic initiatives are identified and developed through an assessment with the agency Leadership Team and an external review of potential initiatives with stakeholders and cooperators. This process is ongoing and adaptive, in that emerging issues and external events often call for adjustments to strategic initiatives.

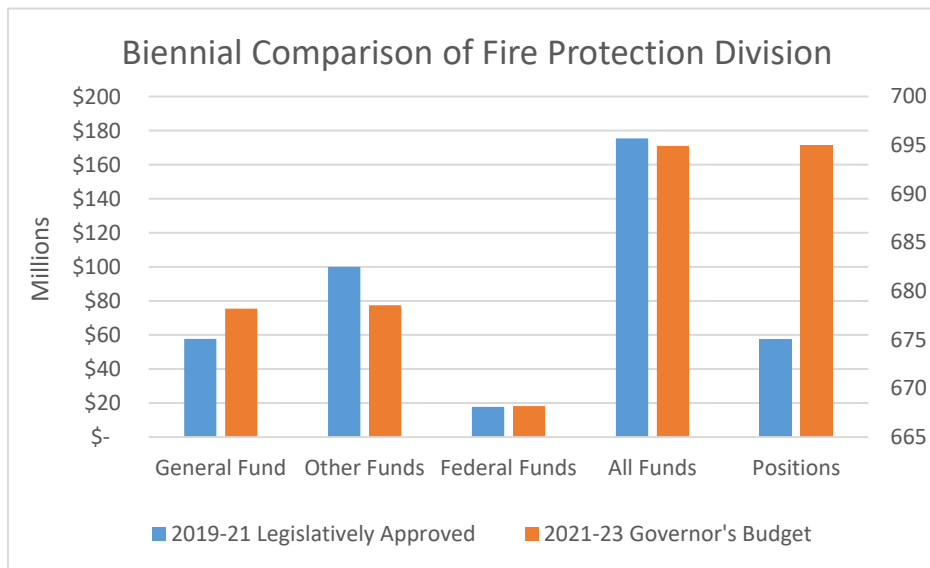
## Program Descriptions



### Fire Protection

ODF is the state’s largest fire department. The ODF Fire Protection Division protects 16 million acres through a complete and coordinated system with federal wildland fire agencies, forest landowners, operators and contractors, local structural fire agencies, and other partner states/provinces. Of the total protected acreage, about 12 million is privately owned, about 1.6 million is owned by the state or local governments, and 2.4 million consists of U.S. Bureau of Land Management lands and other federal acreage. The division’s goal is to create and use environmentally sound and economically efficient strategies to minimize the total cost to protect Oregon’s timber and other forest values from wildfire, while also minimizing wildfire damage to protected resources.

Services include fire prevention, fire detection and suppression, maintenance of an equipment cache, communications, weather and smoke management services, mapping, federal grants utilization, central and field program administration, and Emergency Fire Cost management. These services are delivered through three area offices and 14 forest protection districts, of which three are locally managed by Forest Protective Associations. The division also provides management direction for prescribed fire use to reduce forest fuels, as a prevention measure.

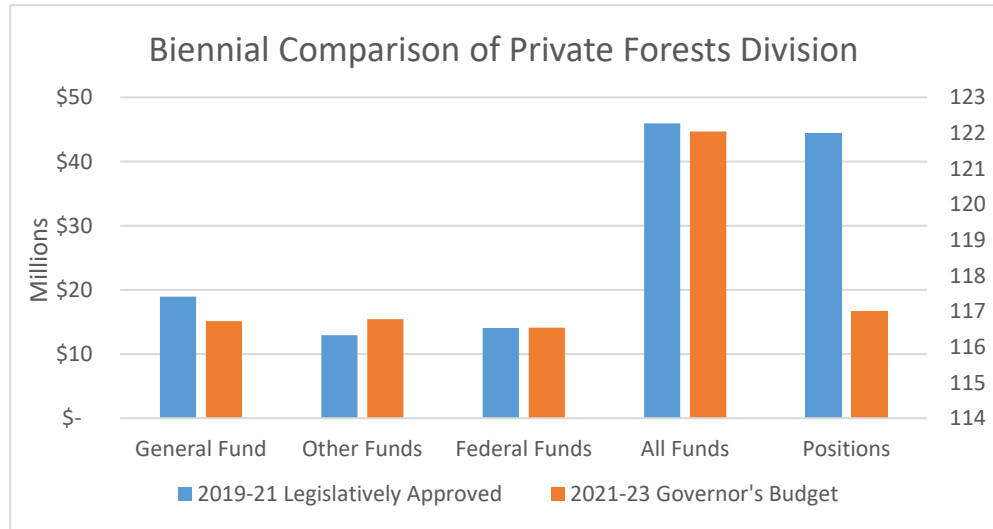




## Private Forests

The Private Forests Division delivers a range of services to industrial, family-forest, state, local government and federal landowners. These services seek to maintain and enhance the economic, social and environmental benefits of Oregon’s forests. The division works to instill public confidence that Oregon’s private forests are well-managed, providing stability for landowners, operators and foresters to invest in and manage a range of social, economic and environmental values. The division also supports ODF’s fire protection mission, which relies on an integrated, all-staff approach to staffing the teams that manage large or complex incidents.

Oregon has some of the world’s most productive forestlands. Oregon’s forests, including the 10.3 million privately owned acres (35 percent of Oregon’s 30 million-acre forestland base), help provide the foundation for the state’s health and success. One of Oregon’s most valuable assets, these private forestlands produce about 75 percent of Oregon’s harvested timber. This supports a key industry that directly provides over 61,000 jobs. Within the wildland-urban interface, family forestlands account for 80 percent (1.7 million acres) of forested areas. Family forestlands often occupy ecologically important, lower-elevation settings near residential areas and reflect a broad range of landowner objectives and uses. Active management of these forests is critical to maintaining a diverse, resilient, and fire-safe landscape. The Private Forests Division helps to keep private forestland productive, while protecting and preserving wildlife habitat, and soil, air, and water quality.



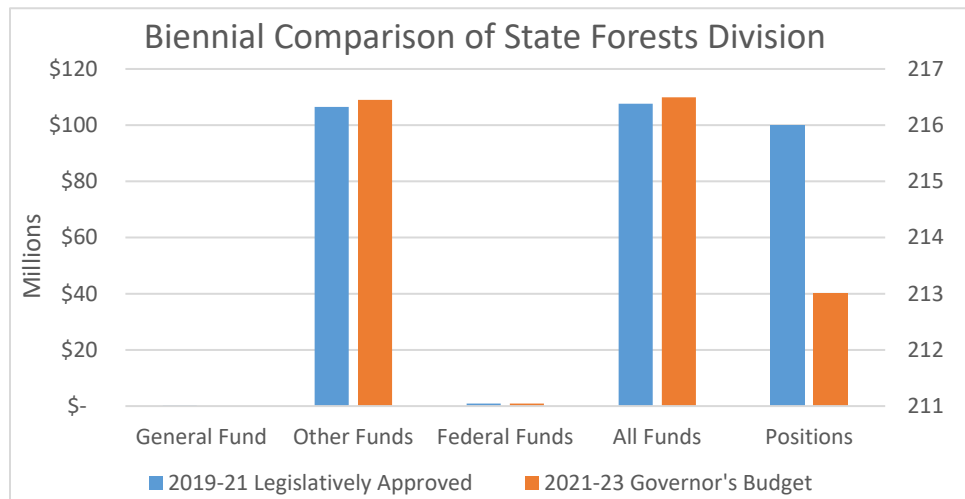
Private forestlands support and fund Oregon’s complete and coordinated forest fire protection system. Taxes from timber harvest contribute to forestry research at the Oregon State University College of Forestry, the administration of the Oregon Forest Practices Act, and public and landowner education. The majority of Oregon’s drinking water comes off of forestland. The Private Forests program helps ensure that private forest health, ongoing management, resiliency, and productivity produce private and public benefits such as jobs, wood products, clean water, clean air, wildlife habitat and scenic beauty for all Oregonians.



## State Forests

The State Forests Division manages 762,723 acres of forestland, about 3 percent of Oregon’s forestland base. There are five state forests: the Tillamook, Clatsop, Santiam, Sun Pass, and Gilchrist, plus scattered smaller tracts. About 95 percent of the state forest acreage is owned and managed by the Board of Forestry. The remaining forestlands are Common School Lands, a small proportion of which are managed by the department under contract with the State Land Board. The division has two sub-programs:

**Management of Board of Forestry Lands** – The purpose is to achieve “greatest permanent value” – 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. Board of Forestry Lands are actively managed in a sound environmental manner that provides for sustainable timber harvest and revenue to the state and to local taxing districts. Timber harvest revenues from the



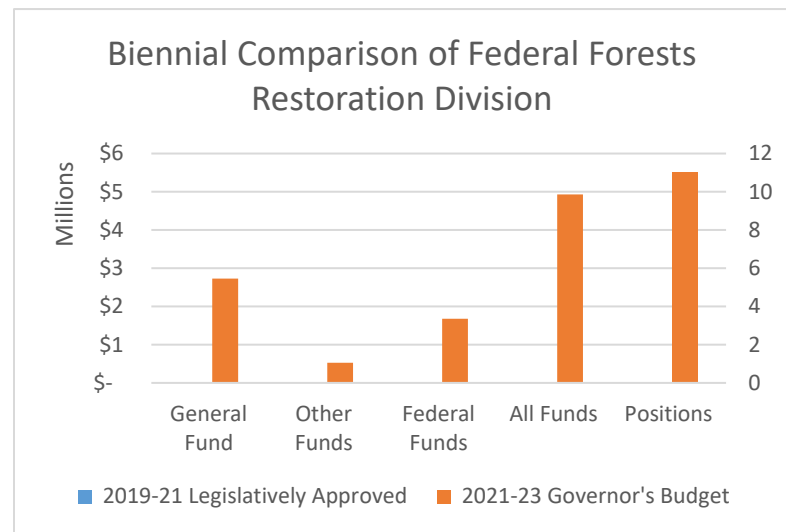
lands are split, with 63.75 percent going to the counties where harvest has occurred. The counties in turn distribute the majority to local taxing districts, including K-12 schools. The remaining revenue pays for the management of the program.

**Management of Common School Lands** – Constitutional direction for these lands is to maximize income over time to the Common School Fund, consistent with the conservation of this resource under sound techniques of land management.



## Federal Forests Restoration

The Federal Forest Restoration (FFR) Program was established to increase the pace, scale and quality of restoration of Oregon’s federal forestland. In addition to state funds, the program budget is significantly increased by the infusion of an additional \$5 million of federal funds per biennium from state and private grants and Good Neighbor Authority projects that are primarily used to implement forest stewardship projects across public and private lands. The FFR Program develops and implements the concept of shared stewardship in partnership with the Forest Service. This plays a critical role in engaging and facilitating conversations to gain input from external partners and stakeholders regarding FFR strategic direction, evaluation and design of program components, ensuring transparency and reporting accomplishments. The FFR Program coordinates with federal and state agency partners on administrative policy issues, forest management planning, and prioritizing projects to ensure the long term outcome of increasing the pace, scale, and quality of forest restoration in Oregon across ownerships.



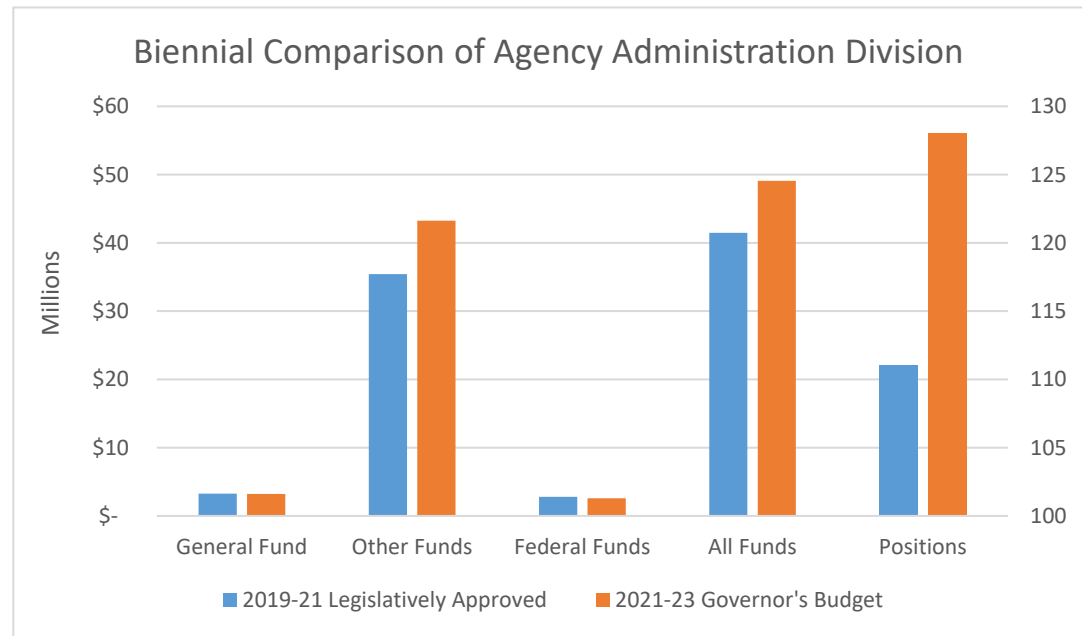




## Agency Administration

The purpose of the Agency Administration Division is to provide high-quality leadership, assessment, policy development, public involvement, communications and administrative systems in support of the Board and the department, and to provide the foundation for the agency's core business functions.

The Agency Administration Division has three primary components: 1) *Agency Leadership and Management* – In concert with the Board of Forestry, this function provides leadership and policy direction on all forestry matters in the state, and also includes quality assurance, legislative coordination and public affairs support. 2) *Partnership and Planning* – This component provides technical analysis and planning, as well as a wide variety of information on forestry issues to other divisions of the department and to other state, federal and local agencies and the public. It also focuses on partnership development and houses the department's Federal Forest Restoration program. 3) *Administrative Branch* – This function consists of budget management, financial services, human resources, information technology, procurement, and public affairs.



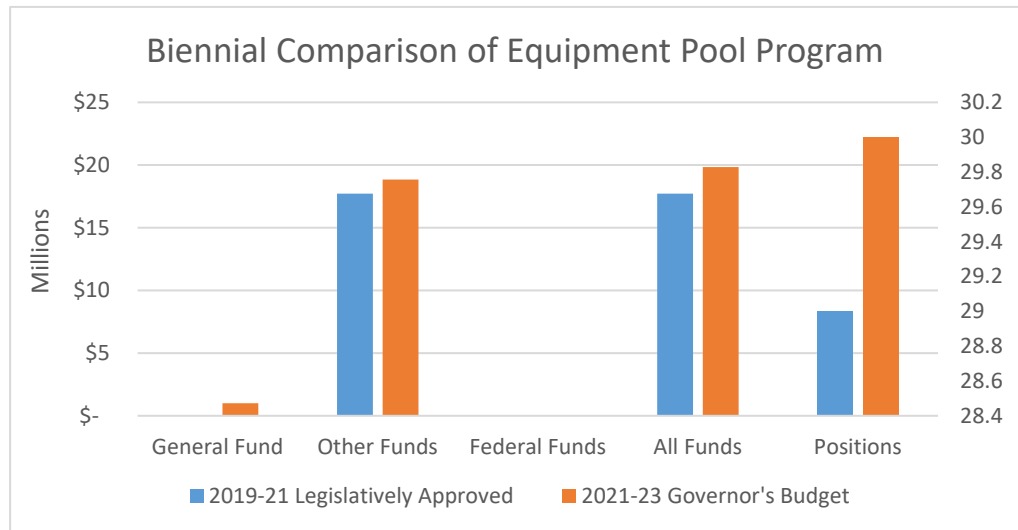


## Equipment Pool

The Equipment Pool program seeks to provide efficient and effective agency equipment via internal services, interagency cooperation, and exploring cost-savings and partnership opportunities. The program purpose also includes implementation of a 10-year radio plan by upgrading and replacing existing equipment to narrow-band technology as required by federal law. The Equipment Pool Program consists of a Transportation Pool and a Radio Communications Pool.

The Transportation Pool includes Aviation and Motor Pool units, which consist of approximately 900 pieces of equipment. The Motor Pool unit also manages approximately 220 additional pieces of equipment that are directly owned by department districts, forest protection associations, or the Federal government through the Federal Excess Property Program (FEPP). The equipment managed includes a limited number of passenger vehicles, two aircraft, pickup trucks, medium and large trucks, trailers and various pieces of heavy equipment.

The Radio Communications Pool supports and maintains approximately 5,645 pieces of major radio communications equipment. It provides equipment management support, engineering, networking and maintenance support to the department, forest protective associations, and the Oregon Department of Fish and Wildlife and Oregon Parks and Recreation Department. The pool also provides on-call support to other state agencies.

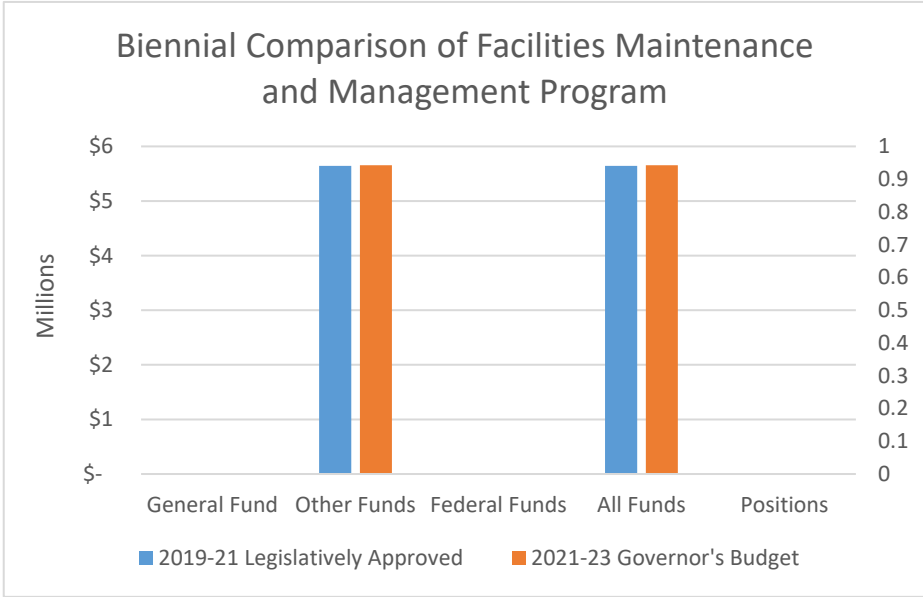




## Facilities Maintenance and Management

ORS 276.285 encourages state agencies that own property and operate facilities to manage and develop their properties in an effective and businesslike manner. To achieve this, agencies may establish a rental program for the purpose of recovering and paying for their costs. During the 1997 Legislative Session, the department received authority to establish a separate Facilities Maintenance and Development Account (FAMADA) in the State Treasury. Much like the department’s Equipment Pool, this account is established as a separate budget program.

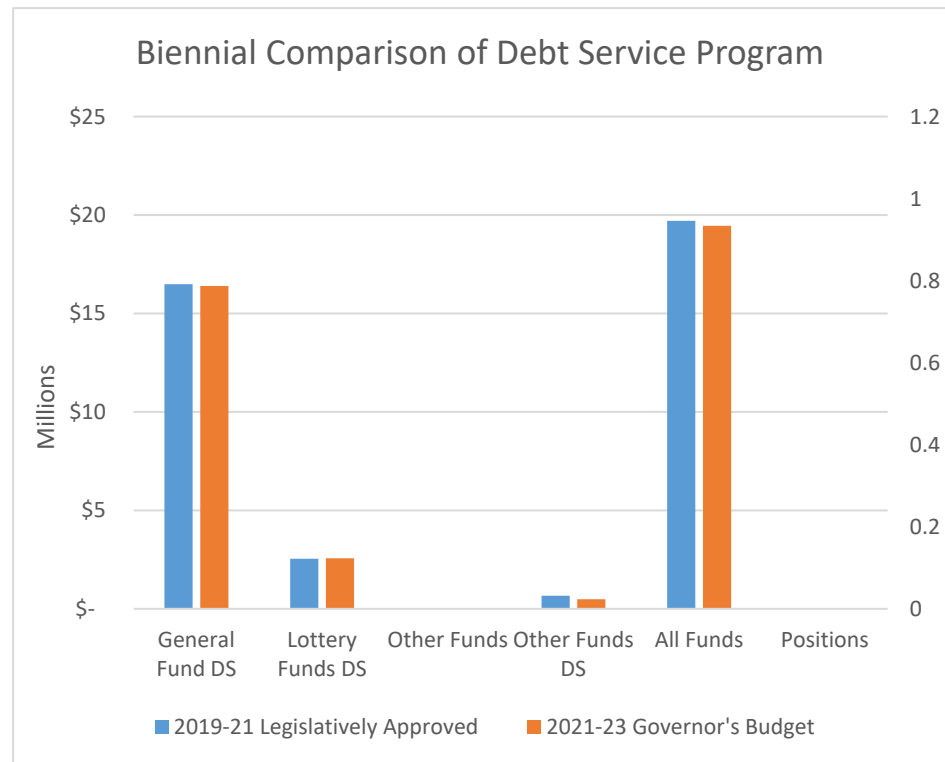
The Department of Forestry owns 396 structures throughout the state. Examples include mountain-top lookout facilities and radio communication sites, remote forest fire guard stations, offices at district, unit and central headquarters, shops and warehouses, seed processing facilities, automotive maintenance shops, and some fueling facilities. Many of the department’s buildings date from the 1930s, 1940s and 1950s. Because of their age and type of construction, most of the buildings need substantial improvements. In many cases, the buildings need interior and exterior remodeling to address considerations involving safety, the Americans with Disabilities Act (ADA), modernization, efficiency and energy conservation. For the 2021-23 biennium the department, through the Facilities Unit and field districts, will continue to emphasize maintenance, capital improvement, and capital construction in the areas of ADA compliance, safety, state, city and county code compliance, asset security, asset protection and mission-essential projects.





## Debt Service

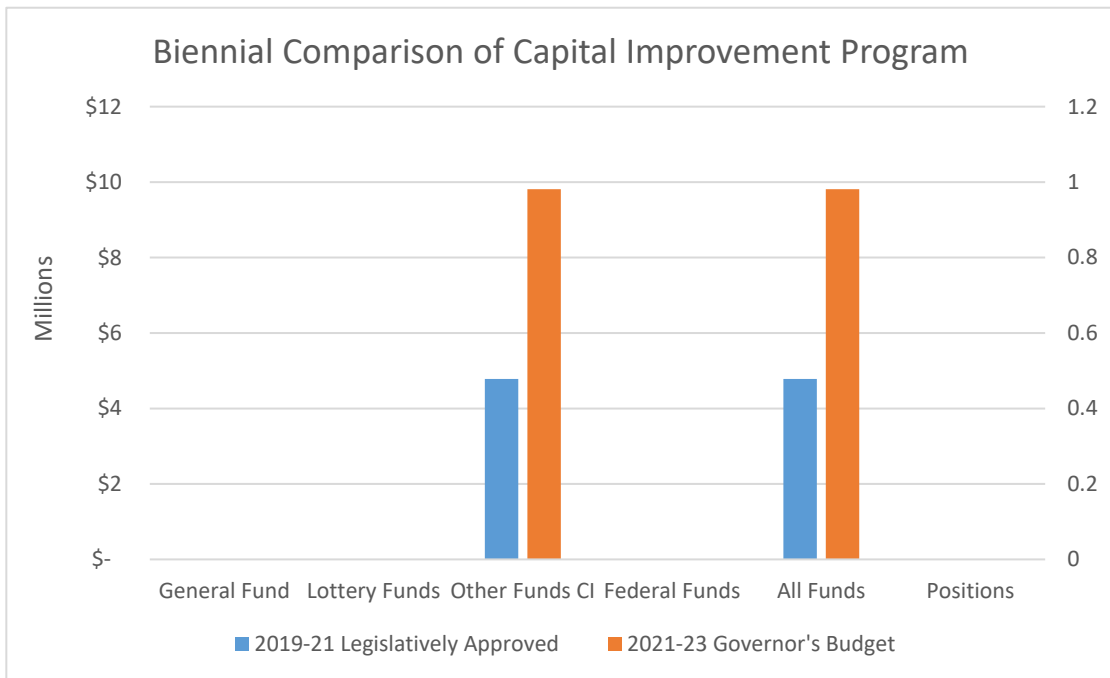
When necessary and appropriate, Certificates of Participation and bonds are used for construction financing, and debt service is required. The department currently carries debt service for a major Salem capital construction project that was completed in 2004; for facility relocation projects in the John Day, Sisters and Toledo areas; for capital investment improvements in the department's business systems; for replacing buildings in the field; and for Gilchrist State Forest land purchases.





## Capital Improvement Program

As described in the Facilities Maintenance and Management section above, because of their age and type of construction, most of the Department's buildings need substantial improvements, many of them beyond routine maintenance and repair. For the 2021-23 biennium the Department, through the Facilities Unit and field districts, will continue to emphasize capital improvements in the areas of ADA compliance, safety, state, city and county code compliance, asset protection and mission-essential projects.



## *Environmental Factors*

Many trends on the landscape and in public policy, public finance, forest economics and forest ownership intertwine to shape the department's key issues. These drivers in turn influence success in reaching the fundamental goal of healthy forests that are intact and managed and working to provide sustainable value to Oregonians.

### ***Labor Day 2020 fire event***

Labor Day 2020 was the start of a historic wind event that combined with record dry fuels to create incredibly dangerous fire conditions. In just a few days, nearly a million acres were burned in fast-spreading fires across western and south-central Oregon. Most devastatingly, lives were lost and multiple communities in the footprints of those fires were badly damaged or destroyed.

During the month of September, Oregon had five fires on the landscape that were 100,000 acres or more—also called “megafires.” Two of those fires are among the 10 largest wildfires in Oregon since 1900 (Lionshead and Beachie Creek). By the time the last ODF protection district exited fire season in early November, 2020 had become the most destructive and costly fire season for ODF-protected lands in the department's 111 year history. Of the 1.2 million acres burned across the state, approximately 540,000 acres were under ODF's protection. Prior to this, the most ODF-protected acres burned was 340,000 acres in 1933, a fire season that included the first of the Tillamook Burns.

While the scale of destruction of the Labor Day fires was anomalous, since 2013 fire seasons have continued to increase in complexity and intensity—not just in Oregon, but globally. The state needs to invest in safe and effective wildfire response, creating resilient landscapes, and building fire-adapted communities to successfully protect Oregonians and the state's natural resources in this new fire environment.

**State Forestlands.** Over 16,000 acres of the Santiam State Forest was damaged in 2020's Labor Day fires. The fires took an extensive toll on popular recreation sites, roads, and natural resources. ODF's strategy to restore the Santiam State Forest strives to re-establish a healthy, working forest through a range of reforestation methods. This process also includes recovery timber sales, road repair, restoring recreational amenities, and removing hazardous trees that pose a danger to the public.

Some of the Santiam's most popular destinations were severely damaged, including Shellburg Falls, Rocky Top/Niagara area, and the Rhody Lake/High Lakes areas. Damage include full tree mortality around many campsites, complete or partial sign loss, and vault toilet heat damage. Additionally, the ODF district office in Lyons was destroyed in the fire. Approximately 24 of 32 trail miles in the Santiam State Forest were within the fire perimeter. Trail damage varies in degree of severity and includes tread collapse due to root burnout, sloughing and rock fall as well as blowdown during and after the fires and accompanying wind event. Hazard tree assessment and removal is needed on all impacted trails.

With 190 miles of forest road in the fire perimeter, repairing and restoring road access is a top priority. For example, opening interior sections of the forest that did not burn will, in many cases, require access through areas that did burn. Work being planned or underway include repairing and replacing culverts damaged in the fire and addressing 19 sections of road that require debris removal, roadbed repair, or bank stabilization.

**Private Forestlands.** About 400,000 acres of private, state and local government forests burned in the Labor Day wildfires of 2020. A further 600,000 acres of federal and tribal lands were also burned by those unprecedented, wind-driven wildfires. ODF is helping landowners by shifting staff to districts most heavily hit by the 2020 wildfires. The agency has also brought in technical staff from other state agencies to help.

After a wildfire, dead trees begin to decay and start attracting insects. Those bugs can injure or kill surviving stands. Generally, trees that are big enough generally must be harvested within 12 to 18 months to be accepted by mills. These factors put pressure on Oregon’s forest landowners to work quickly. The resource protection requirements of Oregon’s Forest Practices Act (FPA) apply to post-fire timber harvests, including stream protection and road maintenance. Operator notifications are required, along with public comment periods. The FPA requires forest operators to protect soils, water quality, and habitat for fish and wildlife. The FPA requires leaving forest buffers around fish-bearing streams. Buffers minimize disturbance to streams and the wildlife in them. Buffers reduce sediment in the water, provide wood for fish habitat, and provide shade.

Because so many landowners lost trees in the big wildfires and need to replant, tree seedlings are in short supply. ODF is working with many groups to help small forest landowners find seedlings. ODF may grant an extension for replanting due to expected seedling shortages.

### ***Changing Wildfire Environment***

**Longer Fire Seasons.** Oregon’s fire seasons have become longer, more severe and increasingly complex, challenging the agency’s ability to respond to the wildfire workload and sustain core agency businesses while proactively protecting Oregonians, forests and communities from wildfire. In the Pacific Northwest, the length of fire seasons has increased from 23 days in the 1970s to 116 days in the 2000s.

**Increased Wildfire Complexity.** In Oregon, acres across all ownerships burned by wildfire are on the rise, increasing from a 10-year average of 156,000 acres burned two decades ago to 452,000 acres burned in the past ten years. This trend is occurring nationally; average acres burned annually has doubled to 6.6 million acres in the past decade. Catastrophic wildfires cause significant public safety concerns. Fire complexity continued from 2013 through 2015 with some of the largest fires this state has seen in history, and 2017 marked one of the most dramatic wildfire smoke impacts we have seen on Oregon’s communities. During the 2017 fire season, over 10,000 Oregonians were evacuated from their homes and unhealthy air quality conditions persisted across much of the state.



**Increased Suppression Costs.** Commensurate with increased occurrence, complexity and numbers of acres burned, fire suppression costs are increasing. The department's 10-year average of suppression costs more than doubled over the past decade with gross large fire costs of \$10 million to over \$70 million.

The increase is due to factors such as rising fire equipment and resource costs as well as climate conditions, contraction in forest-sector industries that are important on-the-ground partners in fire protection, fuel buildup, and the higher cost and complexity of providing fire protection in the growing wildland-urban interface.

### **Governor's Council on Wildfire Response**

Governor Kate Brown issued Executive Order 19-01 on January 30, 2019, establishing the Governor's Council on Wildfire Response. The council was directed to review Oregon's current model for wildfire prevention, preparedness, and response to determine whether the current model is sustainable given increasing wildfire intensity, complexity, and risk. The council identified the need for change throughout the current model and anchored into the key areas identified in the National Cohesive Wildland Fire Management Strategy: fire-adapted communities, restore and maintain resilient landscapes, and response to fire. The council created three subcommittees to focus on fire suppression, mitigation, and adaptation and recovery.

More than 100 people served on the council or participated in one of its subcommittees. The resulting report made 37 recommendations for improving Oregon's model for addressing wildfire, which included more than 100 additional positions and \$20 million in non-personnel investments across various state agencies. ODF supports the council's recommendations and would have a lead role in the implementation of many of them.

### ***Climate Change Projects Warmer and Drier Summers***

**Higher Summer Temperatures.** Higher summer temperatures and earlier spring snowmelt are already increasing the risk and workload to suppress forest fires. In the Pacific Northwest the length of fire season has increased from 23 days in the 1970s to 116 days in the 2000s. (Oregon's 2017 Integrated Water Resource Strategy)

**Increased Occurrence of Drought.** Drought is not an abnormal occurrence in Oregon, with notable recorded droughts since the 1930s. However, since the adoption of Oregon's first Integrated Water Resources Strategy in 2012, the state has recorded its warmest year and experienced the lowest snowpack on record, both in 2015. The dry conditions in May through July 2017 were the fifth-warmest on record in 123 years, contributing to an intense wildfire season across the state. (Oregon's 2017 Integrated Water Resource Strategy)

**Declining Winter Snowpack.** Climate changes are already visible in Oregon. Increasing temperatures are affecting the form of precipitation, and therefore Oregon's mountain snowpack. This is altering the timing, duration, volume, and quality of water runoff throughout the state. As mean annual temperature increases, the percentage of precipitation that falls as rain instead of snow will increase. Oregon is classified as 75 percent mixed-rain-and-snow for the twentieth century climate. By 2080, all of Oregon, except for parts of the Blue Mountains, is projected to become rain-dominant. (Oregon's 2017 Integrated Water Resource Strategy)



**Compromised Forest Health.** The past decade's trend of warmer and drier conditions have stressed forest ecosystems, exacerbated existing management and forest health problems, and led to extreme fire conditions. About 35 percent of Oregon's forests are at high risk of uncharacteristic fire because of disruption in their natural fire regimes. Another 42 percent are at moderate risk. As projected under climate change analysis, continued of warmer, drier conditions increase forest vulnerability to insect and disease attack, and ultimately increase the risk of uncharacteristically severe wildfires. Such fires can threaten communities and adjoining private lands, while destroying resources timber values, terrestrial and aquatic habitat, domestic use watersheds, cultural resources and critical infrastructure.

**Manage State Forests for Greatest Permanent Value.** As a public lands manager, ODF's State Forest Division manages 729,000 acres of lands owned by the Board of Forestry to secure greatest permanent value (GPV) to produce a wide range of public benefits. Active management on these lands provides a stable timber supply, generates revenue for county governments, supplies clean water and high quality habitat and provides diverse outdoor recreation, interpretative and educational experiences. The personnel and capacity necessary to deliver on this array of outcomes is also critical to delivering ODF's fire protection mission. According to a recent Secretary of State audit, 31 percent of the hours required to staff ODF incident management teams come from the State Forest Division. The number of hours of State Forests personnel billed to supporting ODFs fire mission more than doubled in 2013-2015 over the prior three years. Reassignment of duties from laying out a timber sale, completing camp ground inspections, or maintaining trails on state forests are delayed or set aside when personnel are needed in the wildfire suppression effort and significantly challenges the department's ability to deliver on its GPV obligations.

**Restore Federal Forests through the Good Neighbor Authority.** Over 60 percent of Oregon's forests are managed by the U.S. Forest Service or Bureau of Land Management. Many of these forests, particularly in the drier climates of eastern and southwestern Oregon, are at an elevated risk of wildfire and face significant forest health challenges. Due to the proportion of ownership, the condition of the state's federal forests have a dramatic effect on the health of Oregon's total forestland base, and in turn on the department's ability to accomplish its mission, including increasing stress on the complete and coordinated wildfire protection system. Through its Federal Forest Restoration Program, ODF has the opportunity to implement active treatments using the Good Neighbor Authority to significantly increase the resilience of our federal forests to uncharacteristic wildfire.

**Engage Homeowners and Non-Industrial Forest Owners.** Approximately 4.3 million acres, or 15 percent, of Oregon’s forests are owned by families or individuals. Of this total, roughly half of these acres are inside urban growth boundaries or are within a mile of current residential or other development zones (i.e., rural residential). Various factors interact to divide tracts of working forests into smaller parcels and lead to an intermingling of homes and forestlands. This reduces the likelihood that forests will be actively managed to produce a range of values, and increases the cost and complexity of fire protection. Since the implementation of Oregon’s unique land use system in 1974, Oregon has maintained 97 percent of all non-federal land as resource land use (farm, forest or range). However, the wildland-urban interface (WUI) has grown significantly during that period. ODF’s Five-Year Land Use Report shows that 704,000 acres have shifted from resource lands to low-density residential or urban uses. Fire ignition data shows an increased exposure to risk within the WUI. Over the past decade (2008-2017), 64 percent of fires on ODF-protected lands occurred within one mile of the WUI, and 87 percent of these fires were human-caused.

Development and delivery of technical assistance programs by ODF to family forest and forest landowners within the WUI that encourage active management such as thinning, fuels reduction, defensible space creation have primarily been funded with limited federal dollars. An increased scope of service delivery to communities and local governments provides the tools and technical advice to help encourage community and landowner involvement with fuels mitigation, target fire prevention messages toward human caused ignitions, and to review building and zoning codes that make buildings more resistant to fire. Creating fire-adapted communities benefits all with reduction in loss of infrastructure, watersheds, cultural assets, parks, view sheds, transportation and utility corridors.



### *Criteria for 2021-23 Budget Development*

Budget development principles are essential in leading the department and the Board of Forestry in budget content and process development. These principles set the stage for moving forward and long-term reflection from a budget perspective.

Guided by agency leadership and previous principles, the 2021-23 budget development:

- Promoted an open and transparent process with employees and stakeholders and seek and encourage public input.

- Maintained core business functions and customer service as a priority while maintaining an agency-wide perspective rather than siloed programs. Sufficient capacity must be retained to meet the Board and department's basic mandates including fire protection, managing state forests, forest regulation, administrative and financial support as well as natural resource policy development and dissemination.
- Identified and addressed service gaps that exist between the current budget and the budget needed to implement legal mandates, the Board of Forestry work plans, and key components of the agency's strategic initiatives.
- Was creative and proactive but realistic in concept development and proposals, recognizing the balance between asking for needed resources while considering budget climate, stakeholder and legislative expectations, and revenue constraints.
- Maintained a viable, effective, highly-skilled, and empowered workforce and organization.
- Identified and captured opportunities to increase efficiency and effectiveness.
- Ensured that individual revenue sources fund a fair and equitable portion of the internal service costs that are in direct relation to services and products utilized by the program.
- Aligned with the Board and agency missions, legal mandates, strategic initiatives, agency/program performance measures and the Governor's priorities.
- Partnered with other state natural resource agencies on issues of mutual interest.
- Innovated new ways for revenue generation, providing services, and stakeholder outreach and involvement that aim to reduce vulnerability to cyclical fluctuations.
- Was responsive to changes in the situation during the development process itself and be flexible to change direction or course if needed.
- Clearly communicated the results of budget investments or reductions that impact forest resources and prioritized services that directly benefit, protect, and sustain Oregon's forest resources.

### *Major Information Technology Projects*

ODF does not have any major information technology projects slated for the 2021-23 biennium.

*Summary of 2021-23 Budget*

See ORBITS report BDV104.

# Program Prioritization for 2021-23

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																				
2021-2023 Biennium																			Agency Number:	62900
Agency Administration																				
Department-Wide Priorities for 2021-23 Biennium																				
1	2	3	4	5	6	7	8	9	10	12	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory for C, FM, and FO Only	Comments on Proposed Changes to CSL included in Agency Request		
Dept	Prgm/ Div																			
8	2	ODF	ADMN	Exec Admin, HR, Business Services, Facilities, Procurement, IT, Public Affairs, Resource Planning, State Government Service Charges	1 & 2	4		38,389,749	2,596,324	\$ 40,986,073	106	104.97	N	Y	N/A	Ch. 321, 477, 526, 527, 530, 532	N/A	POP 090: (\$532,794) OF, \$140,129 FF, Pos 0, FTE (0.80) POP 091: (\$160,697) OF, (\$23,949) FF POP 092: (\$349,517) OF, (\$66,455) FF POP 096: (\$2,178,994) OF, (\$11) FF POP 097: (\$9,696) OF, (\$4) FF POP 099: (\$813,326) OF POP 171: \$186,797 OF, Pos 1, FTE 1.00 POP 172: \$452,433 OF, Pos 2, FTE 2.00 POP 174: \$452,433 OF, Pos 2, FTE 2.00		
5	1	ODF	ADMN	Climate Change Mitigation & Adaptation	1	4		3,227,675		\$ 3,227,675	10	10.00	Y	N	N/A		N/A	POP 160: \$3,227,675 GF, Pos 10, FTE 10.00		
23	4	ODF	ADMN	Fire Protection Business				2,695,081		\$ 2,695,081	13	12.50						POP 200: \$2,695,081 GF, Pos 13, FTE 12.50		
22	3	ODF	ADMN	Billable Support Costs	1	4		2,175,574		\$ 2,175,574	0	0.00	N	N	N/A		N/A	POP 091: (\$92,066) OF POP 096: (\$37) OF POP 097: (\$336) OF		
								46,488,079	2,596,324	\$ 49,084,403	129	127.47								

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Administrative Function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																					
2021-2023 Biennium																					
Agency Number: 62900																					
Fire Protection																					
Department-Wide Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request			
Dept	Prgm Div																				
1	1	ODF	FP	Fire Prevention & Suppression	11, 12	8	68,496,295	65,464,523		\$ 133,960,818	562	301.27	N	Y	N/A	477, 526.041	N/A	POP 090: (\$6,078,591) GF POP 091: (\$380,326) GF, (\$959,139) OF POP 092: (\$627,814) GF, (\$1,235,528) OF POP 096: (\$27,405) GF, (\$42,411) OF POP 097: (\$773) GF, (\$1,177) OF POP 101: 50, Pos 0, FTE 0.01 POP 102: \$20,000,000 GF POP 171: \$78,324 GF POP 172: \$189,706 GF POP 174: \$189,706 GF POP 200: \$439,322 GF, (\$980,837) OF, Pos (6), FTE (6)			
2	3	ODF	FP	Emergency Fire Suppression	11, 12	8		197,664		\$ 197,664	0	0.00	N	N	N/A	477, 526.041	N/A	POP 091: (\$8,267) OF POP 092: (\$9,558) OF POP 096: (\$3,314) OF POP 097: (\$890) OF POP 200: (\$353,865) OF, Pos (2), FTE (1.50)			
9	4	ODF	FP	Smoke Management Plan Admin	6, 11, 12	9		1,612,209		\$ 1,612,209	5	3.99	N	N	FO	477, 526.041	N/A	POP 091: (\$13,917) OF POP 092: (\$27,068) OF POP 096: (\$96) OF POP 097: (\$850) OF POP 101: \$250,004 OF, Pos 1, FTE 1.00 POP 200: (\$165,185) OF, Pos (1), FTE (1.00)			
13	5	ODF	FP	Slash Hazard Abatement	11, 14	9		1,314,218		\$ 1,314,218	11	4.63	N	N	N/A	477, 526.041	N/A	POP 091: (\$15,210) OF POP 092: (\$26,767) OF POP 096: (\$2,835) OF			
14	6	ODF	FP	Rangeland FPA	11, 12	8	447,313			\$ 447,313	2	2.00	Y	Y	N/A	477, 526.041	N/A	POP 097: (\$607) OF POP 092: (\$13,111) GF POP 091: (\$17,523) OF			
15	7	ODF	FP	Cooperative Fire Protection	11, 12	8		8,370,892		\$ 8,370,892	64	39.37	N	N	N/A	477, 526.041	N/A	POP 091: (\$51,623) OF POP 092: (\$195,392) OF POP 096: (\$416) OF POP 097: (\$46) OF			
16	8	ODF	FP	Fire Sustainability & Modernization	11, 12	8	6,466,865			\$ 6,466,865	27	26.75	Y	N	N/A	477, 526.041	N/A	POP 101: \$6,466,865 GF, Pos 27, FTE 26.75			
20	9	ODF	FP	National Fire Plan	11, 12, 14	8			18,203,447	\$ 18,203,447	19	25.87	N	N	N/A	477, 526.041	N/A	POP 091: (\$264,473) FF POP 092: (\$136,735) FF POP 096: (\$3,670) FF POP 097: (\$28,173) FF			
21	10	ODF	FP	Extraordinary Fire Costs	11, 12	8		446,056		\$ 446,056	5	2.71	N	N	N/A	477, 526.041	N/A	POP 091: (\$751) OF POP 092: (\$11,157) OF			
						75,410,473	77,405,562	-	18,203,447	\$ 171,019,482	695	406.59									

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

<p><b>Broadly:</b></p> <ol style="list-style-type: none"> <li>1. Constitutional or Statutory Requirements or Obligations</li> <li>2. Oregon Board of Forestry Strategic Plan - <i>Forestry Program for Oregon</i></li> <li>3. Oregon Department of Forestry Strategic Plan and Core Business Functions</li> <li>4. Key Performance Measure Results</li> <li>5. Oregon Board of Forestry Work Plans</li> <li>6. Oregon Department of Forestry 2019-21 Budget Development Guiding Principles</li> </ol> <p><b>Specifically (fulfill mandates or requirements):</b></p> <ol style="list-style-type: none"> <li>1. Protect Oregon forestland from wildfire through a complete and coordinated system without cooperators.</li> <li>2. Provide robust initial attack response, resource mobilization and incident management capacity, including interagency mutual aid and joint response planning.</li> <li>3. Increase fire prevention through public education and wildfire risk reduction.</li> <li>4. Reduce burden on forest land owners and the General Fund through administrative oversight, governance and distribution of the Oregon Forest Land Protection Fund.</li> <li>5. Acquire and disburse Federal Funds to reduce fuels and increase public education efforts.</li> </ol>
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PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																						
2021-2023 Biennium																			Agency Number:		62900	
Equipment Pool																						
Department-Wide Priorities for 2021-23 Biennium																						
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request				
Dept	Prgm/ Div																					
N/A	N/A	ODF	EQP	Motor Pool Operations	N/A	4		13,540,985		\$ 13,540,985	17	18.51	N	N	N/A	526.143 - 526.152	N/A	POP 090: \$241,443 OF, Pos 0, FTE 0.80 POP 091: (\$228,370) OF POP 092: (\$94,849) OF POP 096: (\$861) OF POP 097: (\$1,866) OF POP 091: (\$70,405) OF POP 092: (\$77,247) OF POP 096: (\$2,354) OF POP 097: (\$83) OF				
N/A	N/A	ODF	EQP	Radio Communications Operations	N/A	4	1,000,000	5,297,111		\$ 6,297,111	13	13.00	N	N	N/A	526.143 - 526.152	N/A	POP 171: \$1,000,000 GF, \$339,704 OF, Pos 1, FTE 1.00				
							1,000,000	18,838,096	-	\$ -	30	31.51										

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
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Administrative function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																					
2021-2023 Biennium																			Agency Number: 62900		
State Forest Lands																					
Department-Wide Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request			
Dept	Prgm/ Div																				
7	1	ODF	SF	Management of Common School Lands	1, 5, 9, 10 & 13	7	2,731,299			\$ 2,731,299	1	7.05	N	N	C	Ch. 526, 530, 532, 629	N/A	POP 091: (\$47,830) OF POP 092: (\$41,388) OF POP 096: (\$359) OF POP 097: (\$2,636) OF POP 101: (\$25,716) OF			
6	2	ODF	SF	Management of Board of Forestry Lands	5, 9, 10 & 13	6	106,242,050		908,805	\$ 107,150,855	212	203.00	N	N	N/A	Ch. 526, 530, 532, 629	N/A	POP 091: (\$2,582,911) OF, (\$39,102) FF POP 092: (\$1,018,639) OF POP 096: (\$23,615) OF, (\$576) FF POP 097: (\$14,837) OF POP 101: (\$2,040) OF, Pos (1), FTE 0.71			
							108,973,349		908,805	\$ 109,882,154	213	210.05									

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
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PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																						
2021-2023 Biennium																			Agency Number:		62900	
Federal Forest Restoration																						
Department-Wide Priorities for 2021-23 Biennium																						
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request				
Dept	Prgm/ Div																					
N/A	N/A	ODF	FFR	Federal Forest Restoration	N/A	4	2,727,667	527,785	1,676,430	\$ 4,931,882	11	9.67	Y	Y	N/A		N/A	POP 090: (\$29,617) GF, (\$9,224) OF, \$838,841 FF POP 091: (\$80,884) GF, (\$23,758) OF, (\$23,758) FF POP 092: (\$5,393) GF, (\$3,436) OF, (\$2,028) FF POP 097: (\$1,221) GF POP 171: \$1,914 GF POP 172: \$4,635 GF POP 174: \$4,635 GF				
							2,727,667	527,785	-	\$ 4,931,882	11	9.67										

**7. Primary Purpose Program/Activity Exists**

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- 2 Community Development
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Administrative function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																							
2021-2023 Biennium																							
																			Agency Number:			62900	
Private Forests																							
Department-Wide Priorities for 2021-23 Biennium																							
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22				
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request					
Dept	Prgm/ Div																						
3	1	ODF	PF	Forest Insect & Disease Management	13	9	1,771,288			\$ 1,771,288	5	3.63	N	Y	N/A	527,310 527,370	N/A	POP 091: (\$48,217) GF POP 092: (\$25,138) GF POP 096: (\$578) GF POP 097: (\$1,243) GF POP 090: (\$3,693,383) GF, \$1,945,349 OF POP 091: (\$47,933) GF, (\$57,854) OF POP 092: (\$31,219) GF, (\$218,078) OF POP 096: (\$1,223) GF, (\$3,526) OF POP 097: (\$5,096) GF, (\$3,007) OF POP 171: \$18,330 GF POP 172: \$44,397 GF POP 174: \$44,397 GF					
4	2	ODF	PF	Forest Practices Act Administration	3, 7	9	12,758,897	11,006,746		\$ 23,765,643	80	80.19	N	Y	N/A	527,610 527,992	N/A	POP 091: (\$13,029) GF POP 092: (\$10,895) GF POP 096: (\$4) GF					
10	4	ODF	PF	Urban & Community Forestry Assistance	4	2		320,298		\$ 320,298	0	0.00	N	N	N/A	526,500 526,515	N/A	None					
11	5	ODF	PF	Oregon Plan for Salmon & Watersheds	3, 9	9	605,870			\$ 605,870	1	1.40	N	N	N/A	541,351 541,420	N/A	POP 091: (\$87,956) FF POP 092: (\$13,101) FF POP 096: (\$4,103) FF POP 097: (\$1,162) FF POP 160: (\$305,565) FF, Pos (1), FTE (1.00)					
12	6	ODF	PF	Cooperative Forestry Partnerships	1, 7	9		278,858		\$ 278,858	0	0.00	N	N	N/A	315,104, 321,367, 527,810 - 527,992	N/A	POP 091: (\$3,668) OF POP 092: (\$35,404) OF POP 096: (\$708) OF POP 097: (\$20) OF					
17	7	ODF	PF	Service Forestry	3, 7	9			14,108,707	\$ 14,108,707	17	16.98	N	N	N/A	526,425 526,465	N/A	POP 091: (\$7,044) OF POP 092: (\$5,209) OF POP 096: (\$207) OF					
18	8	ODF	PF	Seed Orchard	3, 7	9		2,172,448		\$ 2,172,448	13	6.91	N	N	N/A	526,425 526,465	N/A						
19	9	ODF	PF	Forest Resource Trust Administration	1	9		1,661,281		\$ 1,661,281	1	0.78	N	N	N/A	526,700 526,775	N/A						
							15,136,055	15,439,631	-	14,108,707	\$ 44,684,393	117	109.89										

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

<p><b>Broadly:</b></p> <ol style="list-style-type: none"> <li>1. Constitutional or Statutory Requirements or Obligations</li> <li>2. Oregon Board of Forestry Strategic Plan - Forestry Program for Oregon</li> <li>3. Oregon Department of Forestry Strategic Plan and Core Business Functions</li> <li>4. Key Performance Measure Results</li> <li>5. Oregon Board of Forestry Work Plans</li> <li>6. Oregon Department of Forestry 2019-21 Budget Development Guiding Principles</li> </ol> <p><b>Specifically (fulfill mandates or requirements):</b></p> <ol style="list-style-type: none"> <li>1. Monitor and assess forest health conditions statewide to minimize forest insect and disease epidemics (provides early detection and prevention).</li> <li>2. Implement Oregon Forest Practices Act "Best Management Practices" (BMPs) through technical assistance and education of forest landowners and operators.</li> <li>3. Increase voluntary landowner investments in forestland through Oregon Plan restoration activities.</li> <li>4. Increase investments in forestlands through technical assistance, education and financial assistance to family forest landowners.</li> <li>5. Increase forest stand establishment and management on non-industrial private forest land for timber, water quality and wildlife.</li> </ol>
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PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																					
2021-2023 Biennium																			Agency Number: 62900		
Facilities Maintenance & Development																					
Department-Wide Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request			
Dept	Prgm/Div																				
N/A	N/A	ODF	FAC	Facilities Management & Maintenance	N/A	4		5,654,601			\$ 5,654,601	0	0.00	N	N	N/A	276.227-276.285	N/A	POP 091: (\$234,137) OF POP 096: (\$12) OF POP 097: (\$59) OF		
										\$ -											
								5,654,601			\$ 5,654,601	0	0.00								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
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- 5 Criminal Justice
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- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Administrative Function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																					
2021-2023 Biennium																			Agency Number: 62900		
Debt Service																					
Department-Wide Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Dept	Prgm/Div																				
N/A	N/A	ODF	DEBT	Debt Service on Capital Projects	N/A	4	16,400,452	2,564,210	377,700		\$ 19,342,362	0	0.00	N	N	D	283.085 - 283.092, 286A.025 - 286A.035, 291.216	N/A	POP 170: \$516,202 GF POP 175: \$104,470 GF, \$145,160 OF		
N/A	N/A	ODF	DEBT	Debt Cost of Issuance	N/A	4			111,387		\$ 111,387	0	0.00	N	N	D	283.085 - 283.092, 286A.025 - 286A.035, 291.216	N/A	POP 170: \$64,229 OF POP 175: \$47,158 OF		
							16,400,452	2,564,210	489,087	-	\$ 19,453,749	0	0.00								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Administrative Function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																						
2021-2023 Biennium																			Agency Number:		62900	
Capital Improvements																						
Department-Wide Priorities for 2021-23 Biennium																						
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22			
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request				
Dept	Prgm/Div																					
N/A	N/A	ODF	CI	Capital Improvement Projects	N/A	4		9,810,260			\$ 9,810,260	0	0.00	N	N	N/A	276.227, 276.229, 291.216	N/A	POP 170: \$4,820,771 OF			
										\$ -												
							-	9,810,260	-	-	\$ 9,810,260	0	0.00									

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Administrative Function only, not prioritized.

PROGRAM PRIORITIZATION FOR 2021-23

Department of Forestry																				
2021-2023 Biennium																	Agency Number:		62900	
Capital Construction																				
Department-Wide Priorities for 2021-23 Biennium																				
1	2	3	4	5	6	7	8	10	11	12	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	OF	NL-OF	FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory for C, FM, and FO Only	Comments on Proposed Changes to CSL included in Agency Request		
Dept	Prgm/ Div																			
N/A	N/A	ODF	CC	Capital Construction Projects	N/A	4		4,132,842			\$ 4,132,842	0	0.00	Y	N	N/A	291.224, 291.216	N/A	POP 090: \$2,500,000 OF POP 175: \$1,632,842 OF	
							-	4,132,842	-	-	\$ 4,132,842	0	0.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
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19. Legal Requirement Code

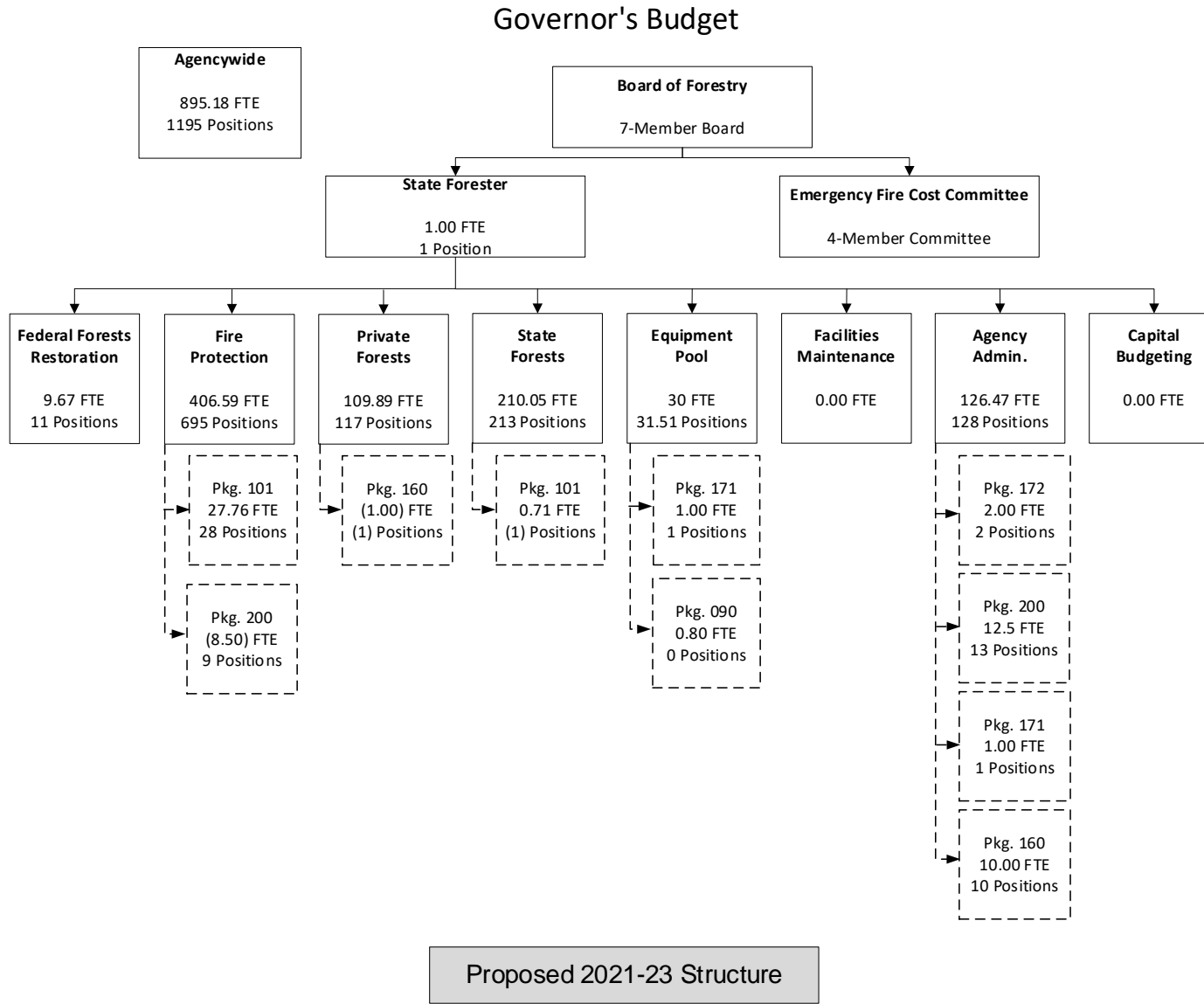
- C Constitutional
- D Debt Service
- FM Federal - Mandatory
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- S Statutory

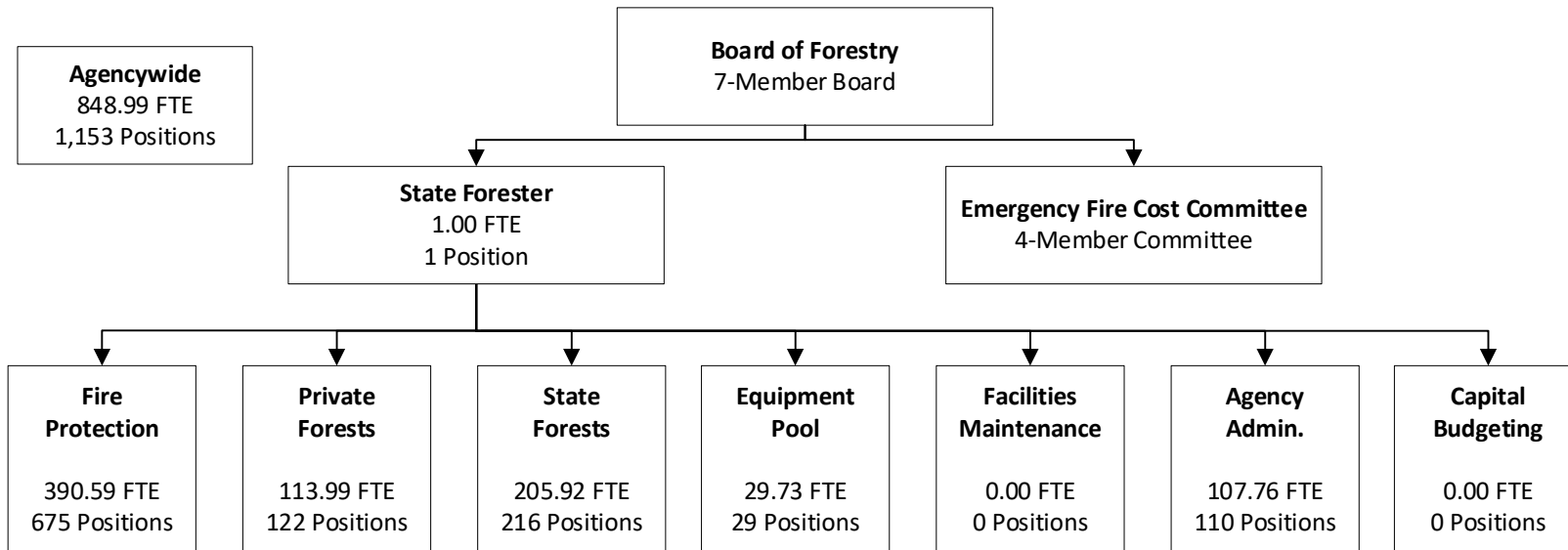
Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Administrative Function only, not prioritized.

*2021-23 Organization Charts*





Current 2019-21 Structure



# Protection Division



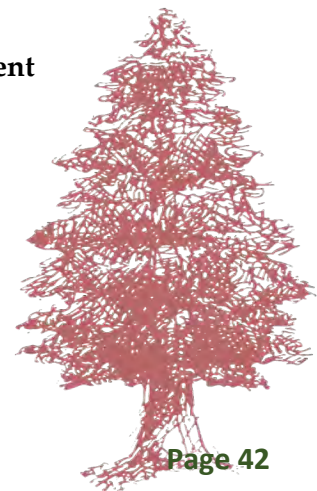
## Who we are

The Oregon Department of Forestry protects 16.2 million acres of private, public and tribal forestlands from wildfire that have an estimated value of more than \$60 billion. Approximately 4.6 million acres of ODF-protected land falls within the Wildland Urban Interface. The goal of the Protection Division is to minimize suppression costs while protecting Oregonians and their natural resources from wildfire. Wildfire protection is provided through a complete and coordinated system that incorporates the resources of federal wildfire agencies, other state agencies, city and rural fire protection districts, rangeland protection associations, forest landowners, industrial operators, and contractors.

## Fast facts

- **Base budget \$54 million annually**  
General Fund (GF) / Private Landowner and Public Lands Assessments to protect 16 million acres of forestland.
- **\$5 million statewide severity**  
\$2 million GF and \$3 million Oregon Forest Land Protection Fund (OFLPF).

- **\$25 million insurance policy**  
Covers large fire costs with a deductible of \$50 million. The first \$20 million is funded between the GF & OFLPF and the next \$30 million is the responsibility of the state.
- **14 ODF / association protection districts**
  - 11 ODF
  - 3 Forest Protective Associations (FPAs)
- **390 full-time equivalent (FTE)**  
Majority of positions account for boots on the ground firefighters.
- **27 total aircraft**  
Two state / association owned aircraft, nine association and district funded aircraft and 16 severity-funded aircraft.
- **Approximately 220 engines**
- **3 nationally qualified incident management teams**
- **74 fire detection cameras**
- **Support for 24 rangeland associations**





## ODF Protection Division

Oregonians depend on forestlands for a wide range of social, environmental, and economic benefits. Forests support living-wage jobs in the forest products industry, recreation opportunities, tourism, clean air and water, and habitat for fish and wildlife. Because of the wide range of benefits that forestlands provide, **wildfires impact all Oregonians.**

As the largest fire department in Oregon, we emphasize prevention of human-caused fires, severity mitigation, early detection, and aggressive initial attack to keep fires small. The Protection Division manages the department's fire suppression resources and leads the state's complete and coordinated wildfire response system.

In recent years, fire seasons throughout Oregon have become longer, costlier, and more complex. On ODF-protected lands, the 10-year average for number of fires is 952 and acres burned is 95,336. Across all ownerships in Oregon, we experience approximately 2,000 wildfires for 677,000 acres burned on a 10-year average. Fire suppression costs are also



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**Initial attack**--Resources including handcrews, engines, heavy equipment, and aviation that are the first line of response at the local level.

**Severity**--Handcrews, engines and aviation that are moved around the state based on risk factors such as fuels conditions, weather forecasts, and firefighting needs.

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growing as a result. Over the last decade, the department's annual average gross large-fire expenditures has increased from \$10 million per year to over \$70 million per year.

**Air support** is important in suppression and detection, especially in rugged and remote areas where many lightning-caused wildfires begin. The division's aviation program ensures statewide access to sufficient air resources.

**Detection cameras** are another critical piece of fire suppression technology. Local networks of cameras are used alongside general public reporting, aircraft reconnaissance, and forest lookouts to find new fires as early as possible.

ODF also staffs three nationally-qualified **incident management teams** that assist with large, complex fires and other emergencies. Many of the personnel on the teams are from the department's non-fire programs.

## Contact

Doug Grafe, Protection Division Chief  
503-945-7204

[Doug.Grafe@oregon.gov](mailto:Doug.Grafe@oregon.gov)

# 2020 Fire Season



The 2020 Labor Day wildfires burned over a million acres – about twice the area burned in Oregon over an average year. Sixteen wildfires qualified for partial reimbursement of suppression costs from FEMA in 2020.

Oregon experienced its most intense and challenging wildfire season in modern times in 2020. Much of the state was in severe drought from spring onward. Numerous wildfires broke out in a very dry southern Oregon in April, leading Southwest Oregon to declare the start of fire season on May 1, a month earlier than usual. ODF firefighters across the state showed excellent success in keeping most fires small, with only 3,191 acres burned as of Aug. 10. That's 26,000 fewer acres burned compared to the 10-year average, an 89% reduction, despite having dealt with three large fires at that point:

- July 21 – **Ben Young Fire**, Klamath-Lake District, 741 acres on ODF-protected lands (1,280 acres total)
- July 30 – **Worthington Fire**, Southwest Oregon District, 761 acres, all on ODF-protected lands
- Aug. 1 – **Fir Mountain Fire**, Central Oregon District, 313 acres, all on ODF-protected lands

ODF Incident Management Teams were deployed 11 times. The first was on Aug. 12 in response to the **Mosier Creek Fire** west of The Dalles.

Soon after, there were five days of lightning across the state. The **White River Fire** southwest of Mt. Hood started during this event. While not initially on ODF-protected lands, heavily timbered steep slopes challenged containment, resulting in evacuations.

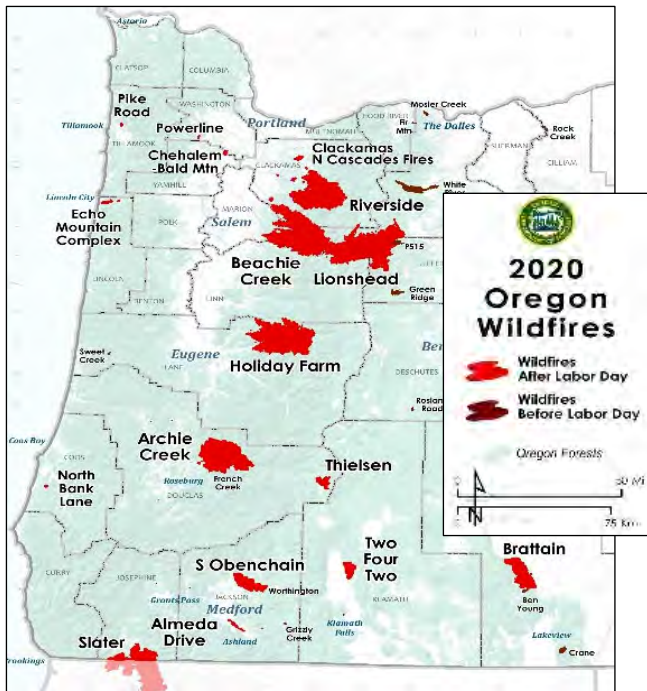
On Aug. 19, 2020, Governor Brown declared a statewide State of Emergency. This made Oregon National Guard resources available for firefighting, including personnel and helicopters. The support came just in time.

## Labor Day fire event

On the afternoon of Labor Day (Monday, Sept. 7), against a backdrop of drought and historically low fuel moistures and humidity, a high wind warning was issued. A strong cold front arrived in the early evening, with east-northeast winds at sustained speeds of 20 to 30 miles per hour and gusts to 50 to 60 mph. This was the strongest three-day easterly wind event during fire season since at least 1950 (winds were stronger in the 1962 Columbus Day storm, but that hit after fire season).

There were 17 significant fires that started or spread significantly during the Labor Day fire event. Combined, the fires burned just over a million acres. The largest single share was in national forests protected by the federal USDA Forest Service. A smaller share - roughly 400,000 – was on private, state and local government lands fully protected by ODF. Just over 100,000 acres of BLM land protected by ODF also burned.





story; the number of acres burned on land protected by ODF was less than half the 10-year average despite the number of wildfires – 752 – being close to the 10-year average of 783.

Much of our initial attack success stems from the General Fund and the Oregon Forestland Protection Fund partnership establishing ODF’s severity program. Having the ability to mobilize necessary resources throughout the state when needed continues to be a successful approach. Additionally, a new infrared camera, mounted on the ODF-owned Partenavia aircraft and funded through OFLPF’s strategic investment program, played a critical role in detecting fires early while still small.

### Prevention

Prevention was also strong during the entire season. With developed campgrounds closed due to the pandemic, Keep Oregon Green partnered with other agencies to raise awareness of the danger of campfires in dispersed camping sites. The Oregon Department of Transportation again helped by highlighting periods of extreme fire danger on their highway message boards. There was also a heavy prevention campaign statewide leading up to Labor Day weekend.

Most devastating was the impact these fires had on communities throughout Oregon. Tragically, nine lives were lost and more than 4,000 structures were destroyed. Thick smoke from the wildfires blanketed much of the state, making wildfire an inescapable reality even in urban areas.

Five fires in the Cascade mountains soon spread west to become megafires (over 100,000 acres), almost as many as occurred in Oregon in the entire 20<sup>th</sup> century. All five moved into Oregon’s top 20 wildfires by size since 1900.

Firefighting personnel and equipment poured into Oregon from more than 30 different U.S. states and Canada, peaking at about 7,500. Despite this influx of people, there were only six positive cases of Covid-19 reported in fire camps in Oregon during the entire fire season. Due to the pandemic, all aspects of wildfire response operations were reworked to protect the health and safety of our firefighters and the communities we serve.

### Early detection and initial attack

Even with the extraordinary Labor Day fires, it’s important to note that early detection and initial attack success by ODF firefighters, with the support of statewide severity resources and partners, kept 93% of fires at less than 10 acres. In fact, prior to Labor Day, 2020 looked to be a remarkable success

### ODF fire statistics

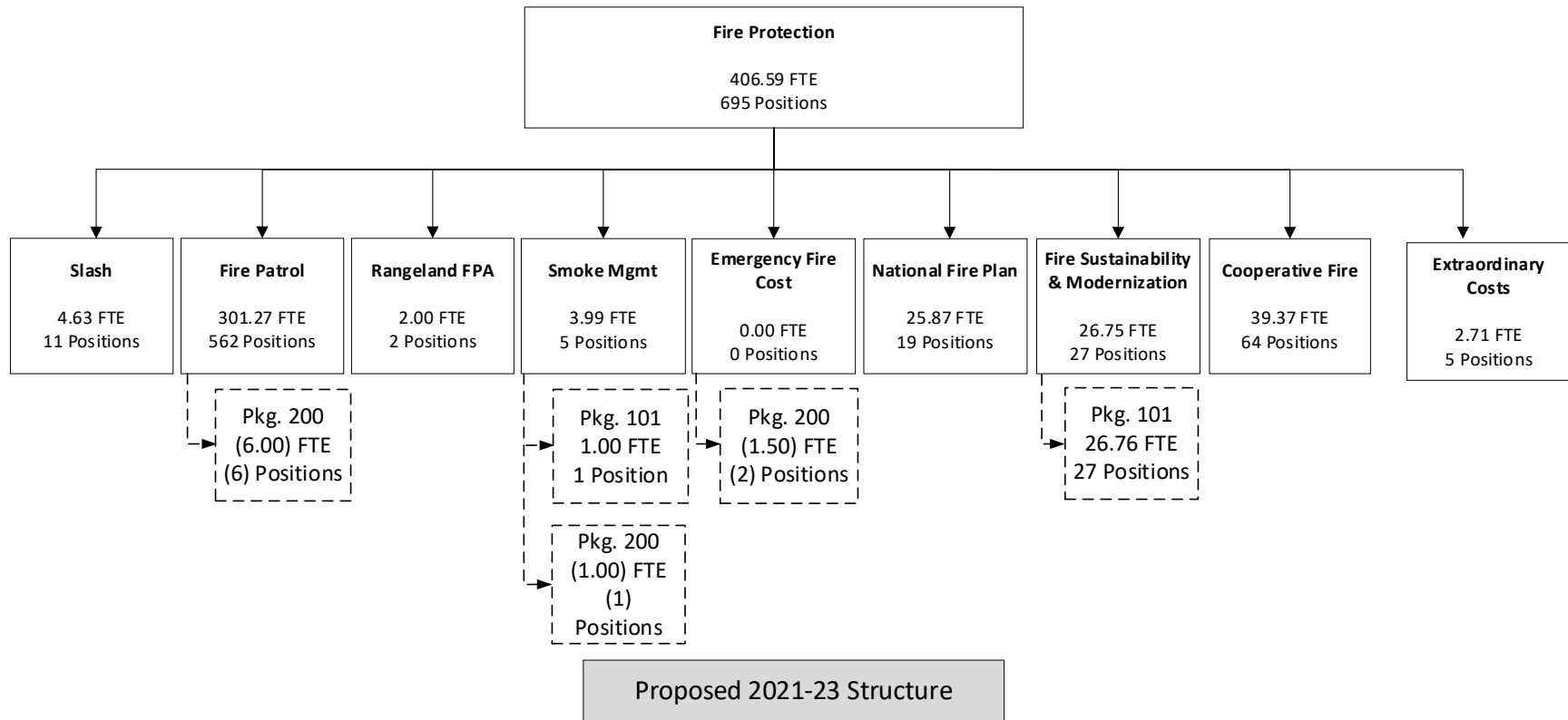
2020		
	Fires	Acres
Human	814	517,924
Lightning	169	24,203
<b>Total</b>	<b>983</b>	<b>542,127</b>
10-Year Average (2011-2020)		
Human	730	62,982
Lightning	251	32,354
<b>Total</b>	<b>981</b>	<b>95,336</b>

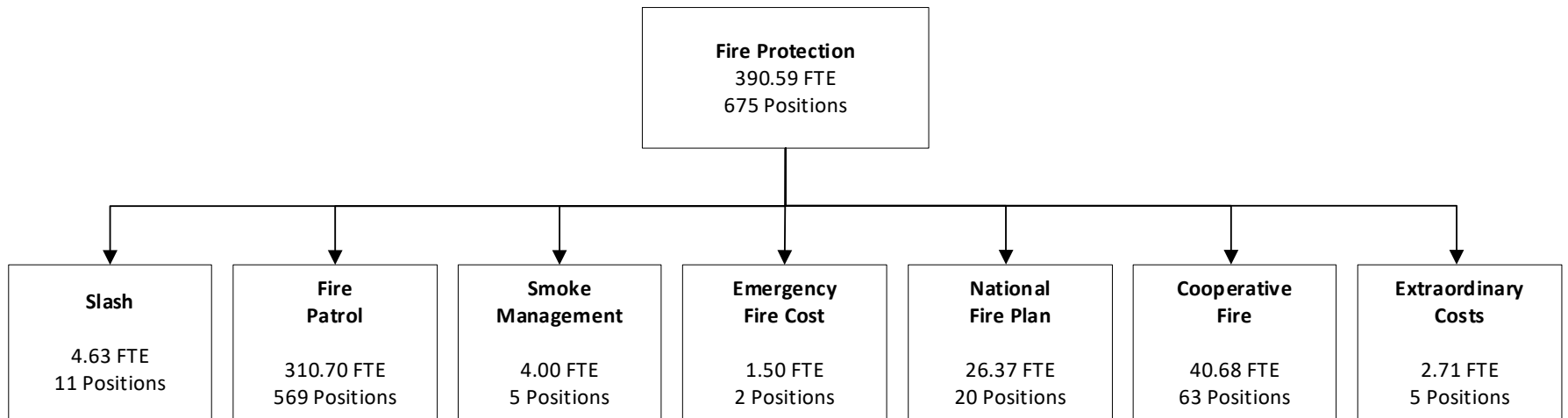
### Contact

Doug Grafe, Protection Division Chief  
 503-945-7204  
[Doug.Grafe@oregon.gov](mailto:Doug.Grafe@oregon.gov)

# Fire Protection Division Narrative

## Organization Charts





Current 2019-21 Structure

## Executive Summary

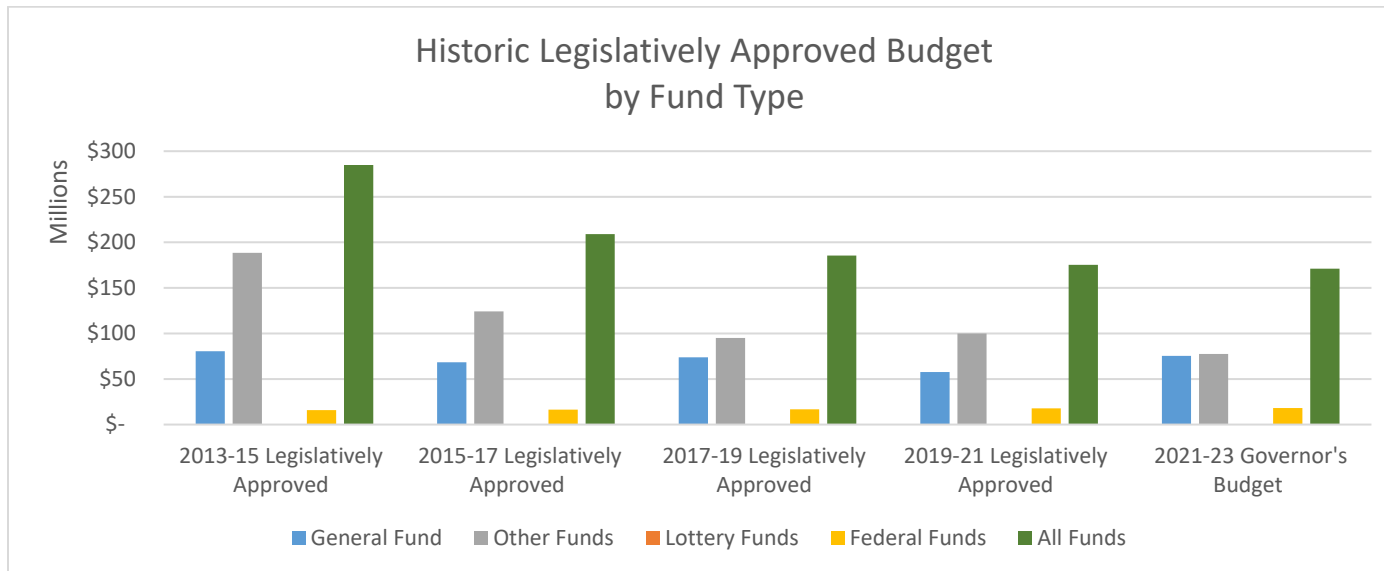
### Long-Term Focus Areas:

Primary Outcome Area: Responsible environmental stewardship  
Secondary Outcome Area: Social equity

### Primary Division Contact:

Doug Grafe, Fire Protection Division Chief, 503-945-7204, doug.grafe@oregon.gov

### Division Total Funds Budget:



### Division Overview:

The Oregon Department of Forestry is Oregon's largest fire department, protecting 16 million acres of forestland. This is just over half of Oregon's forestland base, valued at about \$60 billion. An emphasis on prevention and suppressing fires quickly while they are small, allows for cost-effective protection of public safety and natural resources for communities, the public and forest landowners.

**Division Funding Request:**

For the 2021-23 biennium, the Fire Protection Division is requesting \$171,019,482 (\$75,410,473 General Fund; \$77,405,562 Other Funds; and \$18,203,447 Federal Funds).

The Fire Protection Division's key performance measure assesses initial attack effectiveness, and the target is to extinguish 98 percent of fires at 10 acres or less. There is a direct correlation between decreased effectiveness in initial attack and significant large-fire costs and resource loss. Funding at the requested level will support the department and division in effective initial attack, resulting in fewer acres burned and dollars spent on large fires. It also reduces the amount of wildfire smoke in communities, which protects vulnerable populations. Based on current needs, anticipated increases in fire season severity, and rising wildfire suppression costs, the Fire Protection Division expects that existing funding levels will allow the division to meet the 98 percent initial attack performance measure in only the mildest fire seasons.

Fire protection is critical to maintaining and protecting the forest products sector, which provides more than 41,000 jobs in Oregon and is a significant component of the economy for many rural communities. This service also protects life, property, communities and multiple forest values for all Oregonians, such as clean air and water, fish and wildlife habitat, and scenic views.

The estimated cost of operating the Fire Protection Division in 2023-25 is \$182,373,748 and \$194,506,078 for 2025-27.

**Division Description:**

The Fire Protection Division protects privately-owned forestland; state, county and city forests; and, by contract, U.S. Bureau of Land Management forests in western Oregon. The division's core mission is to provide fire protection through a complete, coordinated system that incorporates agency resources with those of private forest landowners, federal agencies, other state agencies, city fire departments and rural fire protection districts. Fire prevention, detection and suppression are accomplished at the local level through 12 protection districts, including three private associations called Forest Protective Associations. Programs within the division—such as smoke management, fuels reduction, and fire finance—support the work at the local level. Landowners play an essential role in supporting and enhancing the Fire Protection Division, which is financed through a blend of public and landowner dollars. Other key stakeholders and partners include forest operators, homeowners, communities, tourists and outdoor enthusiasts, federal agencies, other state agencies, tribal and local governments, state and federal legislators, and private firefighting contractors.

The fire protection system operates within three specific tiers:

- *Base-level protection* is the heart of the ODF "fire department," and provides the resources and funding for quick initial attack, statewide coordination, large-fire support, and aviation management.
- *Severity resources* include air tankers, helicopters, and other additional assets that are positioned around the state based on where the fire danger is greatest – a proven approach to keeping fires small.



- *Large-fire funding* provides reimbursement for suppressing the fraction of fires that escape initial attack and grow large. A wildfire insurance policy, unique to Oregon, provides \$25 million for large-fire costs after a \$50 million deductible is met.

Major cost drivers include rising firefighting costs (personnel, contractors, equipment use, and training); trends related to climate conditions, such as lightning and drought; increasing safety requirements; shifting federal fire policy; reductions in vital forest-sector industry partners; escaped fires from unprotected and under-protected lands; the buildup of fuels on federal lands; and the additional complexity of providing fire protection in the growing wildland-urban interface.

#### **Division Justification and Link to Long-Term Outcomes:**

***Responsible environmental stewardship and social equity: Protecting economic, social and environmental assets***—Services provided by the Fire Protection Division cover nearly half of Oregon’s forest land base. However, with decreased harvests in federally owned forests, forests under private ownership account for more than three-quarters of statewide timber harvest. Forestry and wood products rank among the top four Oregon traded sectors. These industries are particularly important to rural economies.

Research by the University of Oregon and the Western Forestry Leadership Coalition has found that large wildfires have many impacts on local economies, with total costs up to 30 times greater than what is typically reported. Direct expenses include infrastructure and business shutdowns, commerce disruption, and property losses. However, the full, long-term accounting considers loss of air and water quality (public health effects), ecosystems and habitat, timber, agricultural crops, recreation, tourism, and other public and private investments. Watersheds with scorched soils experience increased erosion, sediment impacts, flooding and stream temperature fluctuations.

***Responsible environmental stewardship and social equity: An emphasis on prevention and protecting communities***—Much like preventive health care, ODF works with landowners to create healthy landscapes to better withstand wildfire without loss of life or investment. The Fire Protection Division engages directly with landowners and communities through Community Wildfire Protection Plans in all 36 counties, the Oregon Forestland Urban Interface Fire Protection Act (currently including 17 counties, with opportunities to include others), and the nationally recognized Firewise USA Communities Program, which currently has over 189 participating Oregon communities. Forestry agencies and local stakeholders work together to reduce hazardous fuel buildup in dense, over-stocked forests. Woody biomass from fuels reduction projects supports clean technology industries, help Oregon meet its renewable energy infrastructure goals, provide jobs, and help revitalize rural economies.

Additionally, the U.S. Environmental Protection Agency and the Oregon Department of Environmental Quality have delegated authority for Oregon’s smoke management program to ODF. The objective is to develop and implement clean air plans and maximize prescribed burning while minimizing smoke emissions and impacts to people.

**Division Performance:**

The current 10-year average is a 95 percent success rate of suppressing fires at 10 acres or less.

Since 2005, over 15,008 fires have burned 509,506 acres on ODF-protected land. Since 2010, 9,522 fires have burned 417,373 acres on ODF-protected land. On average, the program has responded to 949 fires annually. Climate, snowpack melt rate, rainfall trends and lightning have contributed to more severe fire seasons that start earlier or last longer.

Adequate funding and investments for firefighting resources, both on the ground and in the air, are vital for the Fire Protection Division to carry out its mission. An underfunded fire program will translate to larger fires, higher costs, and more resource damage.

**Enabling Legislation/Program Authorization:**

ORS 321 outlines the public-private partnership that funds the system.

ORS 477 declares forest conservation through fire prevention and suppression to be state policy; describes wildfire on inadequately protected forestland to be a nuisance; outlines responsibilities for landowners and the department. A complete and coordinated system that protects forest resources and saves lives is the primary mission of the Department of Forestry.

ORS 526 provides for the forestland classification process, under which all land within a county is examined to determine which is forest and grazing land. A forest patrol fee is assessed against landowners within ODF's protection district boundaries to help fund base-level fire protection.

**Funding Streams Supporting the Division:**

*General Fund (GF).* These public-share fire funds are acquired as a 50 percent match to private landowner assessments and serve to offset the costs of fires started by public activity (over a third) and lightning (a third), and to recognize the public benefits of a robust wildland fire protection system. This 50-50 match funds the base level of fire protection.

*Emergency Supplemental General Fund.* The Legislature and Emergency Board allocate a Special Purpose Appropriation for part of the department's severity program. This encompasses a portion of the department's aviation program.

*Emergency Fire Cost.* The Oregon Forest Land Protection Fund (OFLPF) provides emergency fire funding from private and public landowner assessments and is used to equalize the costs of large, expensive fires across the state. The OFLPF also funds up to \$3 million of the department's severity program.

*Landowner-assessed Fees.* Forest Patrol assessments are based on annual budgets developed by each forest protection district and approved by the State Forester and Board of Forestry. These are match by a 50% General Fund contribution, the combination of which supports the base level of fire protection.

*Cooperative Fire.* These funds provide a ready source of additional fire suppression personnel at low or no cost to the forest protection system and local landowners. The program is funded from other landowners' payments for work done on their lands by fire personnel.

*Federal Funds.* The department actively seeks federal funds to support the program's mission and goals. These funds have declined steadily in recent years and several grant opportunities have been eliminated.

**Funding Proposal Comparison:**

The Fire Protection Division's 2021-23 funding proposal remains very similar to the approved 2019-21 budget, with the exception of the following two Policy Option Packages (POPs):

Policy Option Package 101- Fire Organizational Sustainability & Modernization: Oregon is experiencing increased severity, complexity and duration of its fire seasons, which has challenged ODF's ability to respond to the wildfire workload and sustain its other core businesses across all agency divisions and programs.

Policy Option Package 102- Next Generation Severity: Oregon's fire environment is rapidly changing, and these investments are absolutely critical to ensuring the department can safely and effectively operate in the current fire environment while preparing for the future.

## Program Unit Narrative

### **Activities, Programs and Issues:**

**Organization**—Fire protection is provided through a complete and coordinated protection system that incorporates the resources of federal wildfire agencies, other state agencies, city fire departments, rural fire protection districts, and private forest landowners. The department’s program is delivered through a coordinated field/headquarters organization. The field function includes 12 forest protection districts, of which three are private, non-profit Forest Protective Associations (FPA). Each forest protection district provides the core fire suppression services of planning, prevention, detection, pre-suppression, initial attack, fire mobilization, and fuels management. There are also 21 rangeland associations chartered under the Board of Forestry that provide a minimal base level of fire protection on rangelands not protected by the Department of Forestry.

Statewide severity resources include 17 aircraft that are strategically moved across the state based on current or emerging weather and severity factors. The severity program also provides for immediate short-term capacity for additional helicopters, engines, crews and personnel on an as-needed basis and as fire season demands.

A key piece of the complete and coordinated fire protection system that is not reflected in budgets or collected as revenues is the “in-kind” support from landowners. Each year, landowners spend millions of dollars to maintain readiness of their own qualified personnel, equipment, gates, road maintenance, lookout towers, airstrips and other facilities so that they can assist in the protection of their land and that of their neighbors.

ODF also manages large fires with the use of Incident Management Teams (IMT). There are currently three IMTs consisting of employees from across ODF and from protective associations. Other department personnel funded outside of the fire program serve in critical roles within the IMTs and are an important part of the department’s fire “militia.”

**Customers**—Nearly all Oregonians are affected by the work of the Fire Protection Division; fires and smoke can affect forestland, forest-related businesses, outdoor recreation, and the public health, economies and daily routines of communities across the state. The department’s statutory fire protection priority is the state’s forest resources, second only to protection of life.

- *Industrial landowners:* Contribute to funding the division’s base protection through the forest patrol assessment. Industrial landowners pay 50% of the locally-established per-acre assessment rate and the other half is paid by the General Fund. Industrial landowners also pay an assessment to the Oregon Forest Land Protection Fund to help with the costs of large fires.
- *Non-industrial landowners:* Consists of small woodland owners (less than 5,000 acres) and homeowners whose properties are protected by the department. They pay forest patrol assessments, as well as an improved lot surcharge (if there is an improvement, such as a home) that goes to the Oregon Forest Land Protection Fund to help with the costs of large fires.

- *Public landowners:* Through agreements, ODF provides protection for some federal lands (BLM), and state, county and other municipalities. These government agencies pay the full forest patrol assessment rate.
- *Firefighting resources:* ODF provides employment opportunities for interagency firefighting crews, aircraft, heavy equipment and local single resources when fires exceed district firefighting capacity.
- *Local communities:* During large fires, small towns can double in size as fire personnel are assigned to these incidents. Frequently, the local economy benefits business generated by the presence of a large firefighting force. However, large fires can also cause significant local economic disruption, as when smoke interferes with outdoor activities, road access is temporarily restricted, or forests that provide jobs are burned.
- *General public:* ODF and the division work to keep forests healthy and safe for recreation, habitat for wildlife, and clean streams. The division also mitigates fuels through prescribed burns to prevent catastrophic fires while managing smoke intrusions to limit impacts to vulnerable populations. Additionally, because Oregon's General Fund is mainly comprised of personal income tax revenues, Oregon's taxpayers are part of the funding structure that enables the division to protect the state's people, communities, and natural resources.

#### **Important Background for Decision Makers:**

***The investment in natural resources agencies has declined.*** Private forestlands are managed primarily for economic objectives, and ODF's Fire Protection Division is the insurance policy for these investments. The forest sector contributes \$12.7 billion to Oregon's economy each year, more than 58,000 living-wage jobs, 6.8 percent of Oregon's total industrial output and millions of dollars in tourism annually. However, Oregon's natural resource agencies receive only one percent of the General Fund budget. In addition, one in three Oregonians works in natural resource-related fields or in jobs supported by those industries. Since the 1999-2001 biennium, General Fund investment in all agencies has risen 31.33 percent while investments in natural resource agencies has declined 2.52 percent.

***Federal contributions to fighting fires in Oregon continue to decline.*** Five federal agencies have wildland fire responsibilities: the U.S. Forest Service, Bureau of Land Management, Bureau of Indian Affairs, National Park Service, and Fish and Wildlife Service. Federal agencies have experienced reductions in their fire protection budgets. Oregon and its cooperators use the "closest forces concept" during initial attack on fires to allow for the quickest possible response. Because of federal budget reductions there will be fewer nearby firefighting resources available, and ODF resources will take on a larger role in fires on federal lands to protect adjacent private lands.

The federal government also provides many shared resources, especially aircraft, which are becoming increasingly scarce and are a critical firefighting tool. In addition, federal contracts for large helicopters have been reduced nationally. Most, if not all, of these federal reductions will continue to cause ODF's costs to increase as the department is forced to be more involved in federal firefighting efforts in order to protect adjacent ODF-protected lands.

Several fire grant programs became available following the devastating fire season of 2000 to reduce the threat of wildfire. ODF has benefited from federal grant support for fire prevention education, planning, capacity-building, preparedness, and fuel reduction treatments across Oregon. With reductions in some specific federal programs, costs of protecting private and state and local government-owned forestlands in Oregon could grow.

- *Secure Rural Schools and Community Self-Determination Act*: Title III dollars stabilized payments to counties for schools, roads, and other services, and made additional investments in projects that enhanced forest ecosystems. The uncertainty around these dollars puts Firewise Community projects and Community Wildfire Protection Planning at risk.
- *The National Fire Plan* has been primarily funded through the hazardous fuels management programs of each of the five federal agencies. At present, some programs under the Fire Plan have limited funding available and allocations continue to decline each year.
- *State Fire Assistance (SFA)* is funded through the U.S. Forest Service, and provides assistance in training and equipment purchases to increase firefighter safety, improve the firefighting capabilities of rural volunteer fire departments, and enhance protection in the urban-wildland interface. SFA funding is limited, and continues to decline each year.
- *Volunteer Fire Assistance (VFA)* These grant funds are part of the U.S. Forest Service State and Private Forestry Program, and provide assistance with training and equipment purchases to increase firefighter safety, improve the firefighting capabilities of rural volunteer fire departments, and enhance protection in the wildland-urban interface. These funds are also limited and declining.

***The fire environment has drastically changed.*** Wildfire is a natural ecological process. On many forests, however, a long history of fire suppression without other management, such as harvest, thinning or fuel reduction, has inadvertently created dense, overstocked stands. Dangerous fuel loads will continue to build if not actively managed. This primarily occurs on federal lands, which may be located next to or intermingled with actively managed private lands. Oregon's dry forests have been severely impacted by large fires due to drought conditions and steep topography. Mill closures in eastern Oregon have resulted in loss of key infrastructure and resources. As a result, landowners with the lowest production timber lands are now paying some of the highest assessments for base protection due to reduced infrastructure and increasing fire season severity.

High fuel levels have contributed to increased fire size, intensity, cost, and loss. Despite the best plans, weather and vegetation conditions can easily push wildfires from federal lands onto private land. Challenges also exist in firefighting resource competition when large federal fires occur. In addition, continued expansion of the wildland-urban interface puts more lives, properties and communities at risk, and contributes to increased fire suppression costs.

These challenges are being exacerbated by changing climate conditions. Projections indicate that the mean annual temperature across most of the western U.S. will increase by 2050, causing loss of moisture from soils and vegetation. Other impacts may include shifts in the range and types of fuels, changes in snowpack levels and duration that can affect water supplies, increases in the frequency and intensity of disease and pest disturbances, and changes to the timing and amount of precipitation. Oregon is already experiencing fire seasons that are more severe, start earlier, and last longer than they did just a decade ago.

The Labor Day 2020 fire event was a devastating example of what can happen when these factors converge. A historic wind event that combined with record dry fuels created incredibly dangerous fire conditions. In just a few days, nearly a million acres were burned in fast-spreading fires across western and south-central Oregon. Tragically, lives were lost and multiple communities in the footprints of those fires were badly damaged or destroyed. Fire season 2020 was the most destructive and costly fire season for ODF-protected lands in the department's 100-plus year history. Of the 1.2 million acres burned statewide throughout the season, approximately 540,000 acres were under ODF's protection.

While the scale of destruction of the Labor Day fires was anomalous, since 2013 fire seasons have continued to increase in complexity and intensity—not just in Oregon, but globally. The state needs to invest in safe and effective wildfire response, creating resilient landscapes, and building fire-adapted communities to successfully protect Oregonians and the state's natural resources in this new fire environment. The final report and 37 recommendations from the Governor's Council on Wildfire Response identifies and prioritizes opportunities for those types of investments.

Return on investment and expected results from the proposed 2021-23 Fire Protection Division budget:

Providing the division with funding sufficient to ensure an adequate level of fire protection statewide allows ODF to secure the resources necessary to protect natural resources, enhance public safety, protect jobs and businesses related to the forest and tourism sectors, and reduce the level of carbon and other emissions that affect air quality. Approval of the proposed policy option packages will enable the division to focus on efforts that will increase its efficiency and the monitoring and accountability of resources that contribute to the complete and coordinated wildfire suppression system in Oregon.

This budget request seeks to:

- Secure funding at current service level for base protection and severity to stop fires at the smallest possible size, which will limit the number of large, multi-million-dollar fires.
- Implement the recommendations of the Governor's Council on Wildfire Response.
- Increase initial and extended attack capacity to provide an adequate level of fire protection and lower the overall cost of fire suppression.
- Recruit, train, and maintain local fire district capability in wildland fire protection.
- Increase capacity of firefighting resources by exploring new contracts/agreements.
- Reduce carbon emissions by minimizing wildland fire size through additional capacity for aggressive initial attack.
- Continue work with federal agencies on mitigating the forest health/excessive fuels problem on millions of acres of federal lands in Oregon.
- Continue work with counties and communities on updating their community wildfire protection plans.
- Continue coordinating with the Office of the State Fire Marshal and other agencies to promote defensible space around homes in the wildland urban interface.

- Continue seeking and using grants to improve technology, reduce hazardous fuels, make more homes fire defensible, and equip local fire districts.
- Complete implementation of forest land classification work in remaining Oregon counties, providing coordination and improved processes.
- Implement improved fire environment technology and analysis tools that assist in development of more accurate predictions of large fires.
- Understand and respond to needs for improving forest health.
- Implement the recommendations of the investigation/cost recovery task force, which includes certifying a pool of fire investigators
- Continue work with local entities to eliminate or substantially reduce the amount of land in Oregon that has no fire protection.
- Conduct review of district protection plans for compliance with standards of protection.
- Continue to implement the recommendations of the multi-stakeholder Fire Program Review Committee.
- Coordinate implementation of the Regional Haze Plan with the state Department of Environmental Quality and the U.S. Environmental Protection Agency.
- Continue to evolve software systems for dispatching and other operational functions.

**Revenue:**

The Fire Protection Division is funded by a diverse set of funds, which include:

- Public Share Fire Fund (General Fund)
- Forest Patrol Assessment (Landowner funds)
- Cooperative Fire (Other funds)
- Federal Funds
- Emergency Fire Cost (Landowner and General Fund)

Forestland fire protection in Oregon is a shared responsibility between private landowners and the public. The matching rate in statute for private lands is 50 percent General Fund and 50 percent forest patrol assessments for base fire protection. Public landowners do not receive the General Fund match, and pay the full cost of fire protection. Due to legislative action in 2009-11, public landowners pay an additional amount per acre annually for agency administration. There are no Lottery Funds in the program.

**Proposed New Laws:**

None.



# State Forests Division



## Who we are

The Oregon Department of Forestry actively manages state forests under the mandate of Greatest Permanent Value, providing a full range of social, economic and environmental benefits:

- Distributed \$69.2 million to counties in fiscal year 2020 to help support local health care, education, law enforcement, and other services Oregonians need and value.
- Strong conservation practices, ensuring sustainable forests with clean air, water and productive soil.
- Supporting living-wage jobs – particularly in rural areas.
- Maintaining and enhancing habitat for fish and wildlife.
- Outdoor activities like camping, hiking, biking, horseback riding, hunting, off-highway vehicle riding, target shooting, and much more.
- The Tillamook Forest Center, building deeper connections with Oregon forests through interpretive and educational experiences.

- With the Oregon Department of Corrections, ODF co-manages the minimum-security South Fork Forest Camp, where adults in custody learn to fight fires, plant trees, build trails and more while rehabilitating for a productive life after incarceration.

## Fast facts

- ODF manages about 730,000 acres of Board of Forestry land and 33,000 acres of Common School Fund land in 15 counties, reaching from Oregon’s northwest corner to Klamath County.
- Two-thirds of state forest revenues are distributed to counties, schools and other local taxing districts
- State Forests receive no general fund appropriation — management is funded through the sale of timber.
- ODF plants about 3 million trees each year on state forestland.
- State forests provide healthy habitat for fish, Northern spotted owls, marbled murrelets, and other wildlife.



## Background

State forests are a restoration success that all Oregonians can be proud of. In the early-to-mid 1900s, much of our coastal forests were decimated by fire. Hundreds of thousands of burnt and logged tax-delinquent acres were repossessed by counties that didn't have the resources to replant and rehabilitate the lands. Legislative actions allowed counties to transfer property to state ownership in exchange for a share of revenues from timber sold off of the land. Under state management, these lands were rehabilitated into healthy, productive forests providing multiple benefits to Oregonians.

The transformation of the Tillamook Burn into the Tillamook State Forest is a prominent example of this success. Massive forest fires in the 1930s and 40s scarred the landscape and created a macabre scenic attraction. From the 1950s through 1973, the state oversaw a massive reforestation effort, with 72 million seedlings planted – many by volunteers — and 116,000 acres seeded by air. It is still one of the largest single reforestation projects of its kind in the Western hemisphere. After 2020

wildfires damaged more than 16,000 acres of the Santiam State Forest in the northern Cascades, sound science and lessons learned from the Tillamook Burn are helping to shape this long-term recovery process.

ODF also manages the Clatsop State Forest in northwest Oregon as well as the Sun Pass State Forest and Gilchrist State Forest east of the Cascades. Scattered state forest parcels can be found in Benton, Columbia, Coos, Douglas, Josephine, Lane, Lincoln and Polk counties.

## Contact

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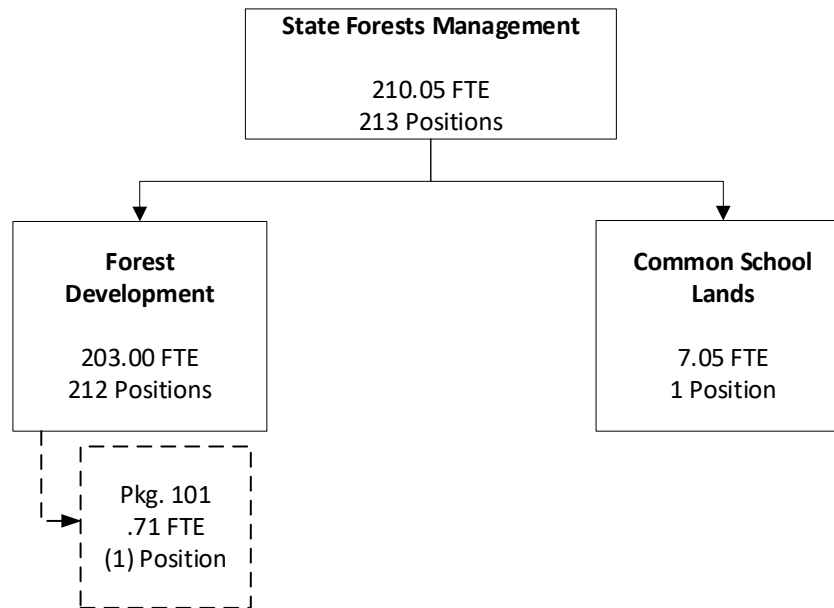
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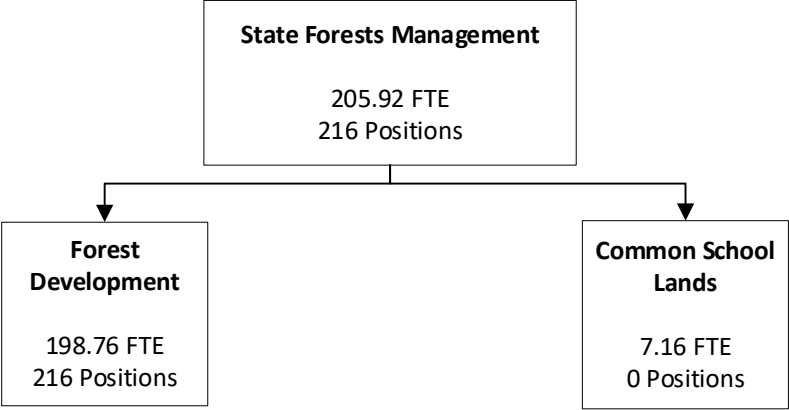


# State Forests Division Narrative

## Organization Charts



Proposed 2021-23 Structure



Current 2019-21 Structure

## Executive Summary

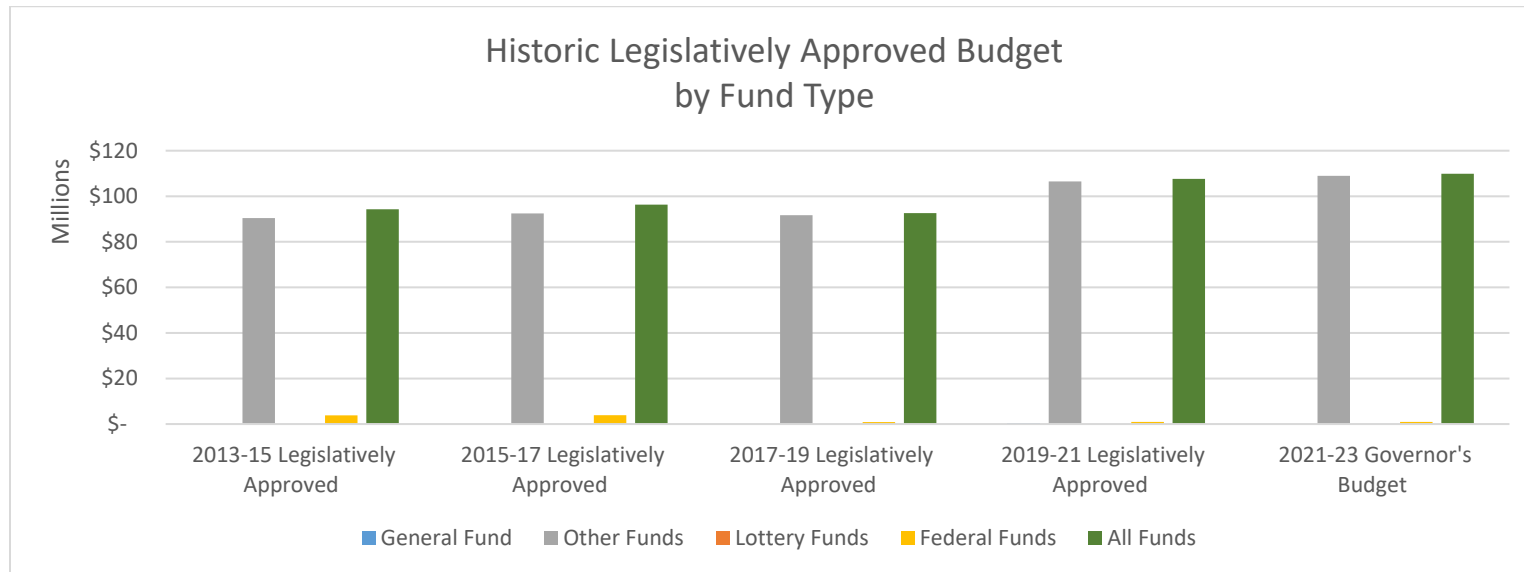
### Long-Term Focus Areas:

Primary Outcome Area: Responsible environmental stewardship  
Secondary Outcome Area: Social equity—Rural communities  
Tertiary Outcome Area: Social equity—Access to the outdoors

### Primary Division Contact:

Liz Dent, State Forests Division Chief, 503-945-7351, liz.f.dent@oregon.gov

### Division Total Funds Budget:



### Division Overview:

The State Forests Division manages 729,718 acres of state forests to provide a range of sustainable public benefits to Oregonians. During the first half of the 20<sup>th</sup> Century, counties deeded most of these lands to the Oregon Department of Forestry following catastrophic fires, intense timber harvests, and subsequent tax foreclosures. Through time and purposeful management, the State Forests Division restored the forests and

watersheds, and today the management of these lands provide Oregonians with local wood products, jobs and economic support, revenue for counties and local schools, clean water, high-quality fish and wildlife habitat, and recreation, education and interpretation opportunities. In addition to state forests, the Department of Forestry also manages 33,005 acres of Common School Fund Lands under a management agreement with Department of State Lands that reimburses ODF for management expenses.

**Division Funding Request:**

For 2021-23, the State Forests Division is requesting \$109,882,154 (\$108,973,349 Other Funds, \$908,805 Federal Funds).

The State Forests Division is almost entirely funded through the sale of timber, and its financial viability is strongly tied to the timber market. The counties that deeded these forests to the state have a protected interest in receiving revenues from these forest lands. Revenue generated through forest management is split with the counties in which these forests are managed. The counties receive 63.75 percent of the revenue, with the remaining 36.25 percent retained by the division. The division's share of this revenue funds core business such as management planning and timber sales; reforestation, young stand management, and forest stand inventory; threatened and endangered species surveys and protection measures; road construction and maintenance; education, interpretation, and recreation programs and infrastructure; facilities operations; research and monitoring; policy analyses and legislative actions; litigation expenses; and wildfire protection. The division is currently restructuring to modernize workflows to more effectively and cost-efficiently deliver state services, while making other technological improvements and expanding methods for marketing timber – all of which are designed to contain costs and increase revenue.

Looking beyond the 2021-23 biennium, estimated costs are \$116,760,970 for 2023-25, and \$124,083,125 for 2025-27.

**Division Description:**

State forests represent just 3 percent of Oregon's forestland base. The division manages two land bases: 1) Board of Forestry Lands and 2) Common School Forest Lands (owned by the State Land Board).

A visit to any of Oregon's state forestlands will show a working forest. These forests reflect varied and shared values by integrating active timber management, high-value conservation areas, stream buffers, important wildlife areas, and recreation. A visit to any of the policy-setting arenas, local or statewide, will reveal ongoing and vigorous debates about the mix of benefits these forestlands provide. The division's success depends on open conversations and working with diverse interest groups to meet both statutory requirements and the Board of Forestry's goals for managing state forestland.

**Board of Forestry lands** were acquired after fires, extractive logging and tax foreclosures during the last century. Through time and purposeful management, they have been and can continue to be restored to healthy, productive forests. These lands include the Tillamook, Clatsop, Santiam, Gilchrist and Sun Pass state forests, and scattered parcels throughout western Oregon. By law, the State Forests Division manages these forestlands

to achieve “greatest permanent value,” to the people of Oregon, which is defined in administrative rule as healthy, productive and sustainable forest ecosystems that, over time and across the landscape, provide a full range of social, economic and environmental benefits for Oregonians. Many state forests are near urban areas and are easily accessible for most Oregonians. Oregon’s Forest Trust Land Counties, which deeded the land that became the Board of Forestry lands, provide input on managing these lands regularly to the Board of Forestry and the division.

Public expectations and demands on state forests have increased over the past 30 years, with increasing number of fish and wildlife species being listed as threatened or endangered, increasing pressures and interest in recreation, the continued importance of timber harvest to rural communities and timber-based economies, and litigation from competing interest groups. These pressures and expectations require a fresh look at policies and business practices.

**Common School Fund Lands** are managed under the Oregon Constitution’s requirement to secure the greatest benefit for the people of the state, consistent with the conservation of this resource under sound techniques of land management. The Common School Fund receives the revenue from Common School forestlands. The State Land Board—consisting of the Governor, State Treasurer and Secretary of State — works through the Department of State Lands to provide guidance for managing these forestlands. The State Forests Division manages the lands for the Department of State Lands under a management agreement that reimburses the Department of Forestry for management expenses.

**Cost drivers.** Factors putting pressure on the State Forests Division’s economic sustainability include increased public demands for State Forests’ services, timber market fluctuations, international competition in the timber market, legal costs associated with lawsuits, and escalating administrative costs. The State Forests Division plays a key role in supporting ODF’s fire protection mission by providing training and firefighting resources.

**Dependency on Timber Revenue.** The State Forests Division relies on timber sale revenue to support operations and generate income for the counties. The division faces a long-term funding challenge as increased costs threatened to outpace the division’s portion of harvest revenues. This funding model also makes the division vulnerable to litigation, shifts in the timber market, or changes in forest conditions from disturbances such as fire, flood, insects, disease, and wind storms. These conditions suggest that a business model with greater flexibility and diverse income streams would provide greater financial stability.

**Litigation.** As a public forestland manager, we serve a variety of public interests. Often stakeholders hold competing interests and expectations. A challenging litigious environment taxes both financial and staff resources.

#### **Division Justification and Link to Long-Term Outcome:**

The State Forests Division contributes to several elements of the Governor’s long-term vision for Oregon:

**Responsible Environmental Stewardship:** State forests are managed to create healthy, productive forests that are resilient in the face of natural disturbances such as wildfire, insect and disease, wind events, and ice storms. State forests provide clean water and are managed, conserved,

and restored to provide overall biological diversity of state forest lands, including the variety of habitats for native fish and wildlife, and accompanying ecological processes. State forests provide ecosystem services that enhance the quality of life for all Oregonians and draw visitors. The division helps provide these benefits by actively managing forests, designating conservation areas, and quickly reforesting after harvests with well-adapted native tree species to grow healthy forests. The division helps protect habitat known to be used by threatened and endangered species. Both field and headquarters staff review and research the best possible science to help state forests maximize environmental benefits.

***Social Equity—Rural Communities:*** Active forest management provides revenue for counties and rural communities, social services and education. It builds communities by supporting family-wage jobs and contributing to local, regional and state economies.

Timber sales are expected to generate: \$149 million for counties in which state forests are managed by the division, \$8.3 million for the Common School Fund, and \$87 million for the department's land management work. State forest timber harvests support approximately 900 direct jobs and 3,141 total jobs and adds \$193 million in labor income directly to the state economy. Timber revenues distributed to the counties support local K-12 education, health and human services, public safety and other essential community functions. Common School Fund income estimates are roughly 25 percent higher than last biennium. Indirect economic benefits associated with services such as recreation, drawing visitors to rural communities, and maintaining healthy forests, habitats, and watersheds have not been quantified.

***Social Equity—Access to the Benefits of Forests and Outdoors:*** The division provides equitable, lasting and diverse outdoor recreational, interpretive, and educational experiences that inspire visitors to enjoy, respect, and connect with Oregon's state forests. There are 22 campgrounds, over 600 miles of motorized and non-motorized trails, and 51 day use areas and trail heads on state forestlands. The Tillamook Forest Center provides hands-on education and interpretation activities in outdoor settings and interpretative classrooms. The Center receives over 54,000 visitors a year and commonly provides education programs for over 5,000 thousand school children and educators.

Another contribution to social benefits is associated with the South Fork Inmate Camp. In partnership with the Department of Corrections, ODF provides a work program at South Fork Forest Camp to approximately 200 minimum security adults in custody. The adults in custody in this program perform a variety of necessary task associated with forest management, recreation facilities and trail maintenance and fire suppression. This program currently has the lowest recidivism rate of any correctional facility in Oregon and teaches jobs skills to men that provide options for employment after prison, empowering them to be self-sufficient and providing social benefits to all Oregonians.



**Division Performance:**

State forests provide a full range of economic, environmental and social benefits, many of which are difficult to directly measure. Timber harvest and income provide one metric for measuring program performance. The table below shows the current performance.

**Timber harvests and revenue (five-year annual averages FY15-FY19)**

Land type	Net Harvest Revenues	Revenue to counties, others	Revenues for ODF land management	Harvest (millions of board feet)
Board of Forestry	\$109 million	\$68 million	\$41 million	274

For Board of Forestry lands, per current Forest Management Plans projections, future harvest levels are expected to range from 225 to 236 million board feet. Harvest levels are expected to be around 6 million board feet for Common School Fund lands.

Other outcomes and areas of program performance that support long-term focus areas:

- Models from the Bureau of Business and Economic Research on Oregon’s operations indicate that state forests’ five-year average timber harvests provide approximately 900 direct jobs, 3,141 total jobs and adds \$193 million in labor income directly to the state economy.
- 50,000 people per year visit the Tillamook Forest Center and learn about the forest’s story of restoration and another 14,000 participate in education and interpretation programs.
- For Common School Fund lands, harvest levels for the past five years have averaged 10 million board feet, which generated \$4 million annually for the fund.
- The department has a rich tradition of protecting and enhancing streams on lands that it manages. Since 2010, nearly 45 miles of fish access has been restored and 46 fish barriers have been removed, modified, or replaced.
- State forests provide important habitat for native wildlife including the threatened Northern Spotted Owl and Marbled Murrelet. There are 107 northern spotted owl sites and 255 marbled murrelet areas protected on state forests throughout Oregon.
- More than 1,500,000 people recreate on state forestlands each year, and more than 40,000 people use designated campgrounds. The State Forests Division provides about 500 miles of trails for motorized use and 179 miles for non-motorized use.
- In 2019, South Fork crews responded to 15 fires in northwest Oregon and eight large fires in southwest Oregon. Crews also planted nearly 200,000 trees, managed more than 180 miles of recreation trails, and maintained dozens of campgrounds and day-use areas.

**Enabling Legislation/Program Authorization:**

**ORS 530** describes the acquisition and management of state-owned forestlands.

**Funding Streams Supporting the Division:**

The division and state forest operations are about 98 percent funded by timber revenue. On Board of Forestry lands, the law requires the department to retain 36.25 percent of harvest revenues for program operations, land management, and fire protection. The remainder is distributed to the counties within which the forests are managed.

On Common School Lands, the Common School Fund reimburses the Department of Forestry for all operating and managing expenses. The Oregon Parks and Recreation Department transfers revenues from managing off-highway vehicles to the division.

**Funding Proposal Comparison:**

The State Forests Program's 2021-23 funding proposal remains very similar to the approved 2019-21 budget, with the exception of the following Policy Option Packages (POP):

POP 101 Fire Org Sustainability & Modernization: The purpose of this package is to enhance Oregon's complete and coordinated protection system. In the State Forests Division, this package adds funding to four existing positions, and funds shifts most of another existing position to the Fire Protection program.

## Program Unit Narrative

### **Activities, Programs, and Issues:**

**Policy Changes:** Forest management practices evolve as new science emerges and society's interests change. The program is working at the direction of the Board of Forestry on a revised forest plan for western Oregon that would enhance state forest management. The strategies include ensuring the division's long-term financial viability and increasing conservation outcomes while balancing social benefits. The Board of Forestry also directed the division to explore the potential financial and conservation benefits of Habitat Conservation Plan (HCP). An HCP is a programmatic Endangered Species Act compliance tool that can increase conservation and contribute to the recovery of threatened and endangered species while providing long-term assurances for forest management.

**Business Improvements.** The State Forests Division is implementing organizational changes to increase efficiency, contain costs, and modernize business practices. The use of new timber marketing strategies (e.g., "sort sales") have increased economic outcomes, and technological improvements will increase efficiency of timber sale contracting, wood tracking, purchaser invoicing, and revenue distribution. Modifications to 10-year forest management implementation plans adjust how policies are implemented in the face of new information and changing forest and wildlife conditions.

**Diversifying Revenue Streams.** The division continues to develop partnerships, collaborate with other agencies, and pursue grants to seek sources of revenue other than timber receipts.

**Litigation:** A major issue for the State Forests Division is the involvement in one major lawsuit. Brought by five fishing and conservation groups related to Coho salmon under the Endangered Species Act. Litigation requires significant and unanticipated staff work to prepare a legal defense and thus greatly increases operating costs. Basic program functions are constrained as day-to-day operating efforts must be redirected to defend against litigation.

**Firefighting support:** ODF leverages resources from across the department to assist with fire protection efforts, particularly during times of high fire activity. This is a highly efficient way of ensuring the availability of personnel with specialized, but only intermittently needed, skills. However, it can have a negative impact on the accomplishment of core business within the State Forests Division, especially with the increase in large fire activity over the past decade. Longer, more intense fire seasons have resulted in fatigue and strain on division staff and core business capacity.

**Tillamook State Forest restoration:** The Tillamook State Forest burned in four large catastrophic fires between 1933 and 1951, known geographically as the "Tillamook Burn." After so many fires, the lands had no value. Many timber owners defaulted on their property taxes, wildlife was displaced with no habitat to return to, and ownership went to the county and was subsequently deeded to the state. Salvage logging took place on some lands during this time, along with felling snags and constructing fire breaks. Roads were constructed throughout the forest to salvage timber and provide access for future firefighting efforts. The counties deeded the forest to the Department of Forestry and Oregonians

approved bonds to begin what was the largest reforestation effort of its time. Today, The Tillamook State Forest encompasses 348,970 acres and supports important habitat for native fish and wildlife, provides recreation opportunities, supports timber-related economies, and provides essential revenues to county governments. However, approximately 26 percent of the Tillamook District is dominated by deteriorating alder stands due to the challenges of reforestation following the Tillamook Burn and Swiss Needle Cast (SNC) is affecting 46 percent of Douglas fir stands. Aerial surveys, research plots, and stand growth evaluations show a significant loss of growth on SNC-impacted stands. These deteriorating stands, combined with operational constraints such as steep slopes that are expensive to log, significantly impact the ability to generate revenue. Restoring this forest, while potentially a costly endeavor, is a good business decision that will have immediate benefits to local communities and establish a healthy and productive forest for future generations with positive outcomes for fish and wildlife.

### **Important Background for Decision Makers:**

Due to increased costs of management activities on state-owned forestland, the division is comprehensively re-examining its business model and has initiated several strategies to create positive, lasting change. As described previously, long-term projected revenues are not expected to cover management costs for these lands to produce the broad range of benefits expected by Oregonians and required by state and federal law. Recent improvements in the timber market have improved the near-term financial outcome and allowed for renewed forest investments such as young stand management, recreation services, and data collection.

### **Revenue:**

Operating and administrative costs for managing state-owned forests are supported almost entirely by timber sale revenue (98 percent). On Board of Forestry lands, the law requires about 63.75 percent of the income to go to local counties. The department keeps the remaining 36.25 percent for operating the division, including forest management and wildfire protection.

The Oregon Parks and Recreation Department transfers revenue for managing off-highway vehicle recreation facilities on state forest lands. Besides revenue from timber sales, recreation activities and minor forest products sales earn limited income.

On Common School Lands, the Common School Fund pays operating and managing expenses. The Department of State Lands reimburses the Department of Forestry for these costs.

In addition, when federal grants are available to support our mission and mandates we go through the application process and occasionally receive minor amounts of federal funding.

### **Proposed New Laws:**

None.

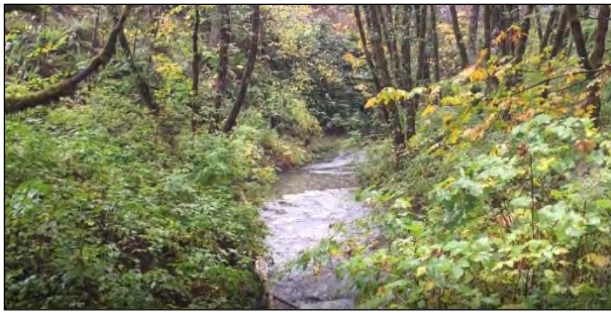
# Private Forests Division



## Private forestland

Oregonians depend on healthy, well cared for forests. These forests provide many benefits, such as:

- Clean air and water
- Raw materials
- Quality jobs
- Carbon control
- Recreation and tourism
- Fish and wildlife habitat



Oregon's privately owned forests cover 10.3 million acres. That's 34 percent of the state's forested lands. Landowners have varied goals. The division works with landowners to help them reach their goals while protecting and improving natural resources. This means helping them keep the lands forested and care for the forests, providing long-term benefits.

## Forest Practices Act

The Forest Practices Act protects natural resources and fosters sound management of forests. Based on public input and science, more than 40 updates have been made in 50 years. The division administers the Act. It uses a multi-pronged approach: develop sound laws; encourage best management practices; educate the public and regulated community; and enforce the law.



Our team helps landowners learn the technical parts of managing forests, so they can meet and exceed the law's protections. The training and support cover how to:

- Protect water and wildlife habitat
- Keep forests healthy
- Improve and sustain urban forests
- Grow quality tree seeds



## Wildfire response

As we have seen, wildfires can affect many forests and people. Healthy, well-managed forests help reduce the risk of fires spreading. The division works with federal and local agencies to provide forestry training and assistance. Our staff administers federal grants intended to improve tree health and reduce fire risks. The projects often focus on brush control and thinning to create natural firebreaks. This helps protect people from smoke and wildfire impacts.



Wildfire response includes most division employees. Our team is flexible and efficient. During the summers, most staff serve in a fire role – working on a fire or backfilling for those who do. The division’s core business is often set aside to support the response needs. The fire-response work saves people and property, while protecting the forest economy and environment. Historically, this worked. However, it is not likely a long-term solution given the current climate.

Fire recovery takes years. Well-trained staff help landowners before wildfires to reduce fire risk, and restore forests after catastrophic wildfires. Our team has been doing this after the 2020 wildfires. The staff bring together landowners, local, state, and federal partners to help restore private forestland. The teams help find ways to quickly and thoughtfully replant the burned forests.



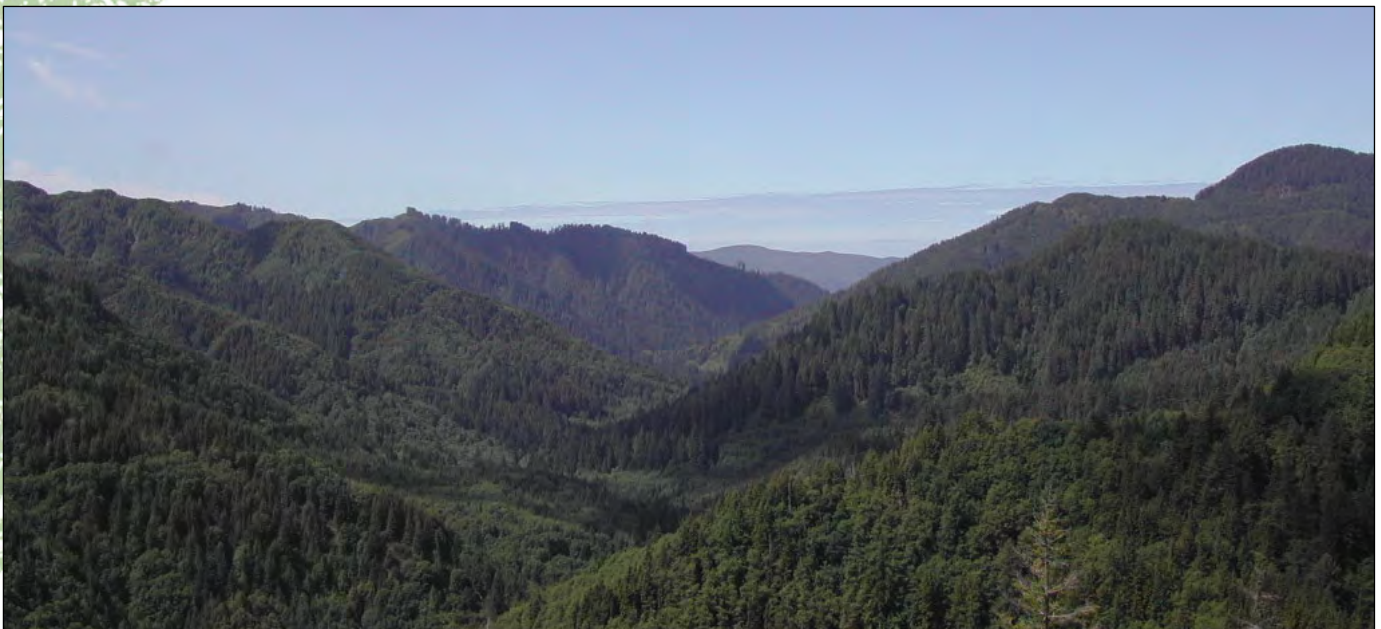
### Sound Management Approach

The Private Forest Division’s work is key to good jobs, a strong forest economy, and a healthy environment. Our team delivers the sound approach to manage forests, conserve natural resources, and maintain clean water.

### Contact

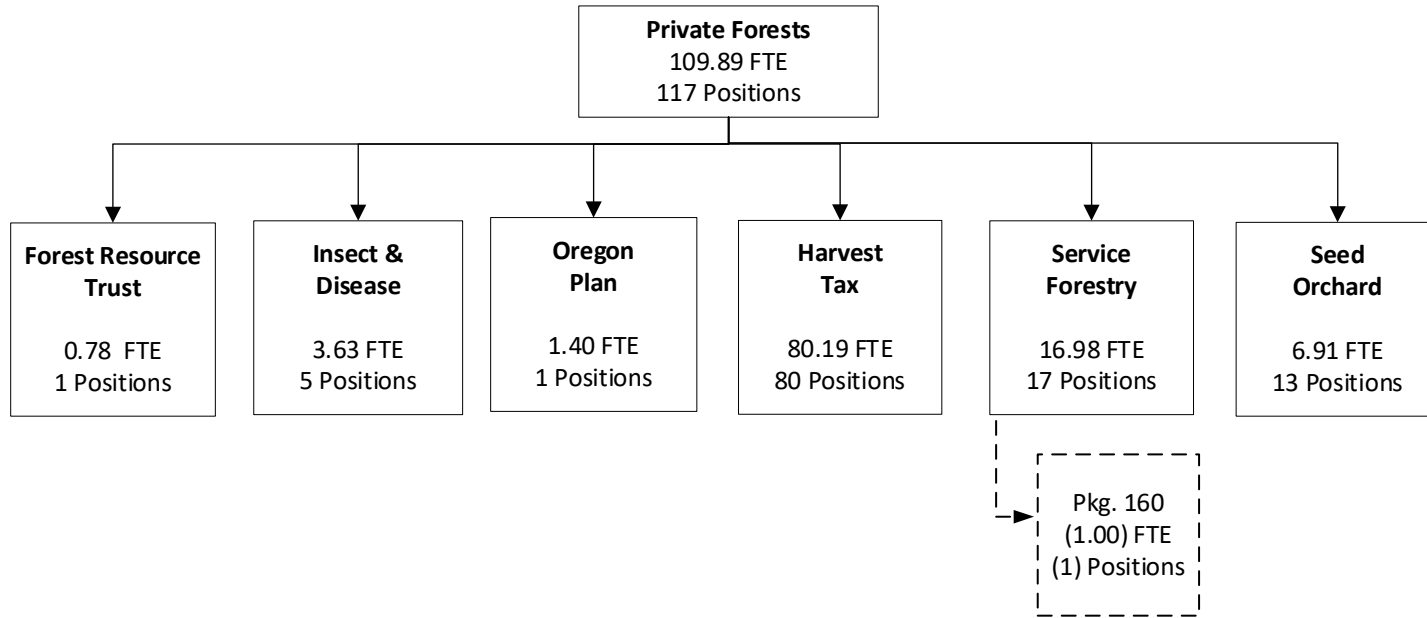
Kyle Abraham, Private Forests Division Chief  
503-945-7482

[Kyle.Abraham@oregon.gov](mailto:Kyle.Abraham@oregon.gov)

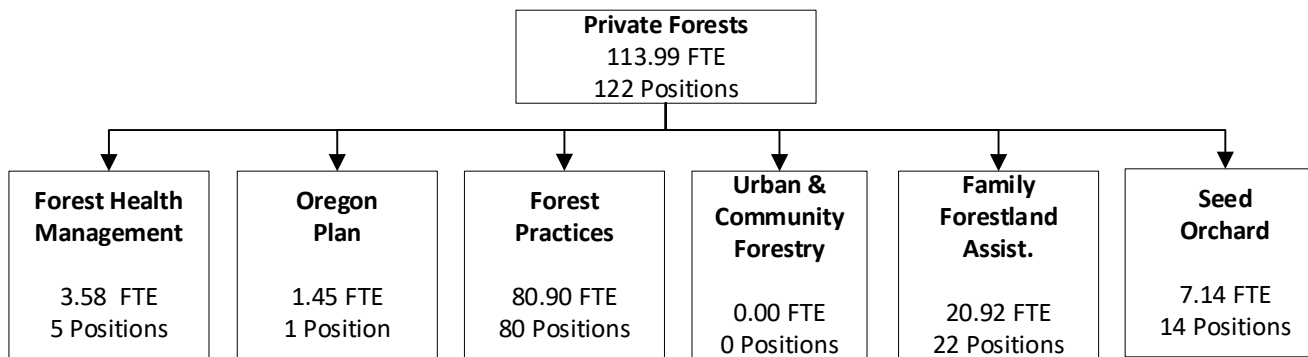


# Private Forests Division Narrative

## Organization Charts



Proposed 2021-23 Structure



Current 2019-21 Structure



## Executive Summary

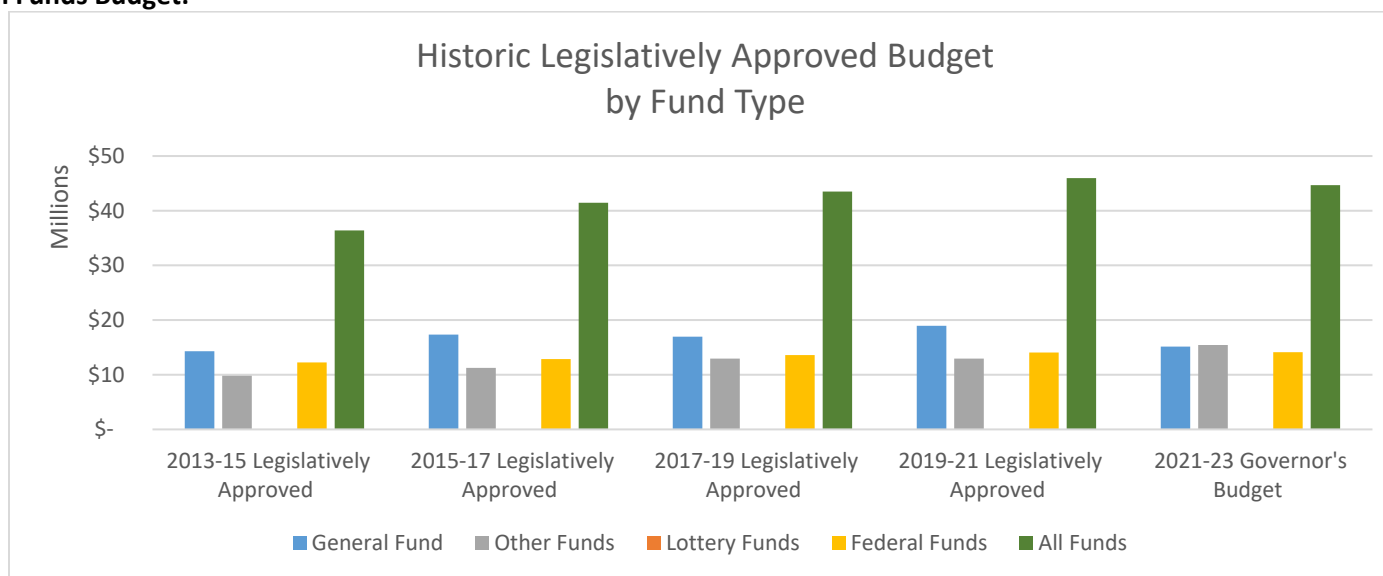
### Long-Term Focus Areas:

Primary Outcome Area: Responsible Environmental Stewardship  
Secondary Outcome Area: Social Equity

### Primary Division Contact:

Kyle Abraham, Private Forests Division Chief, 503-945-7482, [kyle.abraham@oregon.gov](mailto:kyle.abraham@oregon.gov)

### Division Total Funds Budget:



### Division Overview:

Oregon has some of the world's most productive forestlands. Oregon's forests, including the 10.3 million privately owned acres (35 percent of Oregon's 30 million-acre forestland base), help provide the foundation for the state's wellbeing and success. The Private Forests Division works to keep these forests productive, while protecting and preserving wildlife habitat, soil, air, and water, so the forests may continue providing sustainable environmental, economic, and social benefits for everyone. The division also supports ODF's fire protection mission, which relies on an integrated, all-staff approach.

**Division Funding Request:**

The Private Forests Division requests \$44,684,393 (\$15,136,055 General Fund; \$15,439,631 Other Funds; \$14,108,707 Federal Funds). This infrastructure investment provides the leadership, education, and enforcement required to protect natural resources and sustain responsible forestry.

This investment allows the Private Forests Division to most effectively:

- Achieve sustainable forestry while protecting the environment by educating forestry professionals and the public.
- Inspect and monitor forests to ensure compliance with best management practices and rules to protect natural resources.
- Improve and monitor forest health by: detecting harmful insects and diseases early; preventing, suppressing, and eradicating them; and proactively and cooperatively researching forest health strategies.
- Leverage federal and other outside funding sources to maximize Oregonians' investments.
- Develop partnerships with federal agencies and local communities to: provide technical assistance, particularly on family forestlands; serve urban and community forestry needs; develop biomass solutions to reduce carbon emissions; and protect natural resources.

The estimated cost for 2023-25 is \$47,658,036 and for 2025-27 is \$50,846,388 the projected 2023-25 through 2025-27 biennial budgets use only the standard inflation rate to maintain these services and outcomes. The Private Forests Division continually reviews and identifies services to eliminate, modify, add, or provide by contract to ensure sustainable and cost-effective management.

**Division Description:**

One of Oregon's most valuable assets, private forestlands produce about 78 percent of Oregon's timber harvest. This supports a key industry directly providing over 71,000 jobs. The division helps ensure the health, ongoing management, resiliency, and productivity of private forests, in addition to the production of both private and public benefits—like jobs, wood products, clean water, clean air, wildlife habitat and scenic beauty—to best serve all Oregonians.

The Private Forests Division's six main lines of business:

***Enforcing the Oregon Forest Practices Act (FPA).*** A resource-protection cornerstone, the FPA requires post-harvest reforestation, and scientifically supported measures like streamside buffer rules and forestry best management practices. The FPA encourages private forestland investment by maintaining a consistent regulatory environment and underwrites a social contract, assuring responsibly managed private forests.

The Private Forests Division, landowners, and loggers work together to protect natural resources. To achieve this, the division:

- Educates and gives technical advice to customers to proactively prevent harm.
- Inspects before, during, and after priority operations.
- Enforces civil and other penalties when necessary and responds to complaints.
- Conducts compliance audits and research to measure the FPA's implementation and effectiveness.

Improving, maintaining, and further automating the forest activity notification (E-Notification) submission and associated administrative processes remains a division focus. E-Notification meets the legal forestry notification requirements, sets consistent data entry and reports and reduces technical support needs. The division will also be adding functionality to the e-notification system.

The E-Notification system enhances both employees' administrative capacity and customers' efficiency in submitting, managing, and communicating about notifications.

**Monitoring and improving forest health.** The program partners with universities and federal agencies to survey 28 million acres annually to detect and monitor insect and disease damage. This work, combined with specialized surveys, provides data to prevent and manage insects, diseases, and invasive plants.

**Family forestland assistance.** About 60,000 family owners manage forests that range in size between 10-500 acres, covering 2.2 million acres. Family-owned forestlands provide contributions to sustainable forestry, water quality, and fish and wildlife habitat exceeding their size. Family forests diversify landscapes and local economies by connecting forestry benefits to urban populations.

Most Oregonians are close to family forests, which are often near urban and suburban areas. Family forests typically are most at risk of conversion to non-forest uses if they lose economic viability. By helping family forestland owners follow the FPA, improve forest health, enhance streams, and protect natural resources the Department helps keep these lands in forest use. The department helps landowners leverage federal cost-share programs to improve forests.

**Urban forestry.** This work helps communities identify, maintain, and enhance urban treescapes and their benefits. These include shade, filtering and retaining storm water, healthy streams, and enhancing neighborhoods and property values. The Urban Forestry program helps Oregon's 241 cities, other local governments, and community organizations with resource management, hazard trees, climate change mitigation, and other issues.

**J. E. Schroeder Seed Orchard.** The J.E. Schroeder Seed Orchard furthers the productivity, health, and economic sustainability of Oregon's forests by growing high-quality tree seed. The seed has highly desirable ecological traits such as growth potential, wood quality, and disease tolerance. The orchard uses an innovative, long-term, public-private cooperative business model to benefit members.

**Oregon Seed Bank.** The Seed Bank ensures appropriate, climatically adapted tree seed is available for family forest landowners throughout Oregon. The demand for seed has increased over the years due to a variety of factors. Ecologically adapted seed is an asset on the landscape and may further benefit the forestry sector in general and stimulate Oregon’s economic base.

**Major cost drivers.** Competent, experienced, professional personnel comprise the major division costs. Greater rule complexity, more and varied forest operations, and neighbor concerns or conflicts when forest activity occurs in wildland-urban interface areas combine to create an increased demand for forestry professionals to address these challenges.

**Program Justification and Link to Long-Term Focus Areas:**

Private Forests contributes to several elements of the Governor’s long-term vision and focus areas for Oregon.

**Responsible Environmental Stewardship**—Support of this focus area includes investing in programs that improve air and water quality, and conserve, protect, and restore key watersheds, stabilize fish and wildlife populations, improve forest and rangeland health, and minimize the risk of catastrophic fire. The Division achieves these goals by carrying out state laws requiring private forestland owners to continuously grow and harvest trees, “consistent with sound management of soil, air, water, fish and wildlife resources and scenic resources.” (ORS 527.630).

Forestlands supply abundant, clean water for Oregonians. Fire protection, enforcement of the Forest Practices Act and other laws, active management of forest lands, and voluntary measures by forestland owners all contribute to the health and responsible stewardship of forestlands, where almost all water Oregonians use originates. The department also has statutory requirements to conduct research and monitoring to verify current forest management practices are indeed protective, and to develop new rules or policies where needed to maintain water quality and fish and wildlife habitat.

Oregon’s policy and regulatory framework for protecting water quality relies on strong, but flexible, land use laws, a science-based, adaptive Forest Practices Act, and voluntary measures under the *Oregon Plan for Salmon and Watersheds*. This three-tiered approach results in forestland having the highest water quality in Oregon, and avoids the impairment that would be caused by land use development (urban sprawl) seen in other states. The Division works to keep forestlands forested.

**Social Equity**—A diverse and dynamic economy provides jobs and prosperity for Oregonians. Sustainably harvested timber is a benefit of Oregon’s private forests and contributes many outcomes, including economic health. Urban forestry assistance enhances urban livability. To prevent forest conversion to other uses, the Private Forests Division has created best management practices to prevent forest fragmentation in wildland-urban interface areas.

**Program Performance:**

Key metrics include:

- 2018 Forest Practices Act compliance was 97 percent.
- Independent certification organizations determined over 11 percent of family and 69 percent industrial forestlands are “soundly managed.”
- Over 97 percent of non-federal forestland remains free of significant insect or disease damage.
- Private landowners have invested over \$107 million in voluntary measures under the Oregon Plan to support watershed improvement.

The following table shows examples of yearly division work activity.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Number of Forest Operation Units</b>	14,710	17,783	18,352	20,803	23,726	20,531	20,729	21,751	19,365
<b>Family Forest Assists</b>	1,419	1,457	1,421	1,510	1,153	852	774	1,131	1,139
<b>Family Forest Acres with Improved (new or updated forest stewardship) Management Plans</b>	9,871	9,579	12,313	4,966	7,274	7,423	5,546	20,812	8,539

**Enabling Legislation/Program Authorization:**

ORS 527 specifies the division’s responsibilities for the Forest Practices Act, integrated pest management, and insect and disease control. ORS 526 specifies responsibilities for urban forestry, seed orchard, and the Woodland Management Act.

**Funding Streams Supporting the Division:**

**Oregon Forest Practices Act (FPA) enforcement** is primarily funded using General Fund and the Forest Products Harvest Tax, a 60:40 ratio. Forest Health invests its General Fund dollars to leverage mostly Federal Funds. Family Forestland Assistance and Urban Forestry are entirely federally funded.

**Funding Proposal Comparison:**

The Private Forests Division’s 2021-23 proposed funding remains very similar to the approved 2019-21 budget.

## Program Unit Narratives

### **Activities, Programs and Issues:**

**Forest Practices Act Administration:** The Private Forests Division protects Oregon's natural resources through landowner and operator education and enforcement of the Forests Practices Act (FPA). The department's statutory obligation to administer the FPA and administrative rules requires adequate staffing to inspect and monitor forest activities. The division's continued success builds on the shared responsibility and partnership among operators, landowners, and ODF. This approach produces high compliance levels with forest practices rules. Maintenance of a stable complement of field foresters and technical experts is a key to ensuring that private forestland owners meet or exceed best management practices.

The division conducts an FPA compliance audit using a third-party contractor. The audit results helped in developing a key performance measure that more accurately reflects our effectiveness in administering the FPA. Annual audits help ensure staff consistently apply the FPA rules, examine implementation and ease of use, target training opportunities, and support third-party programs that certify privately owned forests are managed soundly.

The department has continued to focus on cost savings, efficiencies, and cost-avoidance strategies to effectively administer the FPA. Previously, stakeholders expressed concern that our ability to administer the FPA has not kept up with technology advances and suggest improved service delivery could save time and money. The department created an online electronic notification (E-Notification) system which improved administrative and enforcement efficiency for managing notifications and customer communication. The streamlined system allows stewardship foresters to invest more one-on-one time helping landowners and operators with forestry assistance, rather than processing paperwork. Department staff also benefit from quicker response times for information requests.

Public subscribers to notifications of operations continue to benefit from the E-Notification subscription system. ODF must give members of the public 15 days from when ODF receives a notification to offer public comments. The E-Notification system allows subscribers to immediately receive and view notifications online. This function also allows subscribers to comment on planned operations and provides for prompt communication of any comments to the operator, landowner, and stewardship forester. The cost is free for subscribers to utilize this tool.

The Private Forests Division performs the following key functions and actions to meet business goals and objectives:

- Ensure compliance with rules such as timber harvesting, road construction and maintenance, treatment of slash following harvest, use of forest chemicals and reforestation.
- Protect certain special resources including significant wetlands, sensitive bird nesting, roosting and watering sites, and sites used by threatened and endangered species.

- Encourage the use of non-regulatory measures such as stewardship agreements and cost-share programs to support sustainable and healthy forests.
- Effectively manage data on land ownership, beneficial use, sensitive resource sites, reforestation compliance, and activity tracking and reporting.
- Maintain a high level of engagement with landowners and operators to ensure consistent application of best management practices.
- Provide effective education:
  - Urban interface: Focus on local government and public meetings to address emerging issues and coordinate on land-use planning.
  - Family forestland: Partner with Oregon State University Extension, Oregon Tree Farm System, Oregon Small Woodlands Association, and Oregon Forest Resources Institute on education and training. Conduct pre-operation inspections, which are critical for family forestland owners.
  - Industrial/investment forestland: Coordinate with certification programs. Conduct joint training with Associated Oregon Loggers.
- Interagency and inter-program: Coordinate and conduct interagency and inter-program training to ensure consistent implementation of the Forest Practices Act and appropriate consultation with other agencies. Recognize performance of operators above and beyond the FPA.
- Through effective enforcement, create accountability for activities not in compliance with the FPA, and correct or mitigate resource damage.
- Address public safety related to rapidly moving landslides that may come from forestlands.
- Protect scenic values along specified highways.
- Conduct monitoring on the effectiveness of rules and report the findings.
- Audit rule compliance and utilize findings to target internal and external training.
- Maintain certification of wood harvested in Oregon under the FPA as responsibly sourced in accordance with ASTM international standard D7612-10.

**Water Quality:** Oregon forestlands provide a critical source of clean water for Oregonians and fish habitat. Protecting, maintaining and enhancing the health of Oregon’s forests, soil and water resources is a key strategy in the 2011 Forestry Program for Oregon, the Oregon Board of Forestry’s overarching policy document. The Private Forests Division serves a critical role in ensuring high water quality by implementing and enforcing rules that protect drinking water and fish habitat from unnecessary human-caused impacts. The division also supports the implementation and reporting of voluntary measures to protect and maintain water quality and fish habitat. The division also embraces its statutory requirement to conduct research and monitoring to verify that current forest management practices are indeed protective and develop new rules or policies where needed to maintain water quality and fish habitat.

The Private Forests Division reestablished its monitoring program in 2011, but has seen reductions since that time and additional expectations for monitoring. Our current capacity is not sufficient to keep pace with the division’s overall monitoring needs or to support broader environmental

strategies. Expanding the capacity of the Monitoring Unit will also allow the division to address growing concerns of the public and other state agencies regarding monitoring implementation and effectiveness of the FPA in protecting water resources and sensitive aquatic species.

The division is engaged with other state natural resource agencies in planning for a secure and resilient future for protecting water resources for all Oregonians. This work recognizes that Oregon's local economies and communities are vulnerable to drought, fires, and floods. To address these challenges, including climate change and population dynamics, the division is working to include forestlands as key contributors to supporting a resilient natural infrastructure and maintaining ecosystem services for the long-term benefit of all Oregonians. Additionally, the Monitoring Unit plays a key role in the ODF-DEQ collaboration to maintain and improve water quality throughout Oregon forestlands by formalizing cooperative interagency policy and technical efforts.

In addition, the division's stewardship foresters play a significant role in implementing the *Oregon Plan for Salmon and Watersheds*, which seeks to restore salmon runs to a sustainable level and improve water quality. Resources are needed to continue to implement voluntary measures, support collaborative monitoring, and gather information for addressing the Board's indicators of sustainable forests. Oregon Plan voluntary restoration measures are Oregon's home-grown response to listings of some salmon species under the federal Endangered Species Act. Stewardship foresters help forestland owners identify opportunities for improving riparian function and stream habitat (e.g., large wood placement) and work with local watershed councils to implement restoration projects and conduct monitoring.

**Family Forestland Technical Assistance:** Oregon's 4.3 million acres of nonindustrial family forestlands provide important social, ecological, and economic benefits across urban and rural landscapes. At the urban and wildland-urban interface, family forestlands account for 80 percent (1.7 million acres) of forested areas. Family forestlands often occupy ecologically important, lower-elevation settings near residential areas. Family forestlands comprise smaller, diverse parcels, reflecting a broad range of landowner objectives and uses. Active management of these forests is critical to maintaining a diverse, resilient, and fire safe landscape. Development and delivery of landowner assistance programs that encourage active management has been limited due to decreasing federal support. At present, there are no state funds for these activities.

Family forestland owners need information and technical assistance to properly manage their lands for multiple resources. These forest owners often face pressure to convert forestland to non-forest uses because the land value exceeds the timber value. As many family forestlands shift ownership to the family's next generation, the new owners often lack forest management experience or knowledge and look to the department for assistance. Landowners seek assistance with fire and fuels management, post-fire restoration, and response to forest health threats caused by drought and other environmental factors.

Overall, the division aims to protect and enhance these lands' forest value through active management to meet multiple landowner objectives, as outlined by the Woodland Management Act of 1979 (ORS 526.450). These forestlands produce important social, ecological, and economic values for all Oregonians. Increased capacity is necessary to sustain family forestlands and their benefits. Key components of this program include:

- One-on-one technical assistance.



- Planning fuel reduction and forest health projects.
- Developing and delivering incentives.
- Supporting locally-led collaborative efforts to build landscape-scale forest restoration projects.
- Implementing the Oregon Plan for Salmon and Watersheds.
- Administering the Forest Practices Act.

With limited state funding for landowner assistance, the department has traditionally relied upon grants from the USDA Forest Service State & Private Forestry Program (USFS), but those funds have decreased. More recently, the department partnered with the USDA Natural Resources Conservation Service (NRCS) and USDA Farm Service Agency (FSA) to connect forest landowners with financial assistance available through federal Farm Bill Programs.

Through these partnerships, ODF stewardship foresters provide technical assistance that enables landowners to access federal cost-share programs. Looking forward, the department is looking increasingly to partnerships with both federal agencies and local organizations to build landscape-scale projects that address forest management needs on public and private lands.

Depending on available funding, the department assists family forestland owners by helping them:

- Access technical and financial assistance programs, especially those available through key federal partners like the NRCS and USFS.
- Develop management plans; and certify their forests as responsibly managed.
- Learn young-forest management activities, such as replanting trees, pre-commercial thinning, fuels reduction, and salvaging damaged trees.
- Form cooperatives or partnerships to efficiently implement forest management activities at a landscape scale (across ownerships).

**Urban and Community Forestry:** Oregon cities face great complexity when balancing competing social demands with their forests' many economic and environmental benefits. The Urban and Community Forestry Assistance program (UCF) works efficiently and innovatively to help meet the urban forestry needs of Oregon's 241 incorporated cities, other public agencies, and urban forestry-related non-profit organizations. Annually, two UCF staff assist approximately 45 percent of Oregon's cities and related entities through trainings, workshops, webinars, email advice, and onsite visits. More than 90 percent of Oregon's population live in these cities.

Most forestry funding is focused outside of urban growth boundaries. However, most salmon-bearing streams pass through cities, many invasive species get started in cities, and significant wildfire risk exists in cities and suburbs in drier areas of the state. Most cities—especially rural communities with less than 30,000 population—lack the forestry technical expertise to address these issues, along with the day-to-day matters such as managing tree risk in public areas, using trees to lessen storm water runoff, scheduling pruning and other tree maintenance, and selecting

proper trees to augment their city infrastructure rather than damage it. Cities often react to hazardous tree issues rather than working to prevent them. The division's Urban Forestry staff help cities learn these proactive urban forestry management skills.

The urban forests' roles in augmenting economic, environmental, and social well-being are not well understood by the general population. For example, the "typical" land development process often involves the total removal of mature trees, can degrade water quality and quantity, reduce air quality, diminish wildlife habitat, reduce community livability, and raise social justice concerns. Increased development in the wildland urban interface fragments forested lands and boosts the risk of catastrophic wildfire. In downtown areas, trees can stimulate economic health, reduce the heat island effect, and make streets more attractive. UCF staff assist cities in understanding development trade-offs, urban forestry best management practices, and the importance of investing in their urban forest's benefits.

The UCF program relies solely on federal funding, which once was enough to support 3.0 FTE staff members, but now only provides funding enough for 1.75 FTE. Additional, ongoing federal or state funding would be used to restore the number of UCF staff to 3.0 FTE. Additional staffing could be used to:

- Develop and teach urban forestry courses to increase local technical capacity.
- Implement cooperative projects with the U.S. Forest Service, OSU Extension, companies, and non-profit groups.
- Help cities address wildland-urban interface issues through programs such as FireWise USA and OSU's Citizen Fire Academy.
- Plan and respond to social justice and social equity concerns for urban tree canopies.

Through a (federal) Landscape Scale Restoration grant, the UCF program has procured a statewide tree mapping platform that all Oregon cities can use for free for three years. This platform helps UCF staff provide targeted outreach to communities, focus on underserved populations, and allows communities to create much needed inventory-based urban forestry management plans. It will enable the UCF program to build a statewide urban tree database with which to anticipate the encroachment of invasive tree pests, the effects of climate change, and the performance of different trees.

Additionally, in Oregon knowledge of and entry pathways into the urban forestry/arboriculture profession is low, even though there is continued growth in this field. Especially in areas experiencing increasing development pressure, work by tree service companies is in high demand and cities need urban foresters. The 2018 USDA Forest Service-National Urban and Community Forestry Advisory Council (NUCFAC)-funded study, *Urban Forestry 2020*, research into urban forestry-related career access, educational opportunities, and recruitment resulted in a number of findings relative to Oregon's urban and community forestry future. The need for good urban foresters and arborists is growing in the Pacific Northwest. With increased funding, the UCF program could work with private and public sector partners to address the deficiencies described in the *Urban Forestry 2020* report, and create job training pathways for underserved and under-represented populations across the state.

A 2014 urban forestry survey showed ODF's assistance since 1991 had increased several metrics: the number of cities with active urban forestry programs, the depth and sophistication of these programs, and local urban forest management investment. It showed that ODF services improved urban forest management and increased the likelihood that cities would proactively address tree problems. As cities continue to develop, the need for Urban Forestry expert technical assistance, access to technical resources such as tree inventory software, and pathways into the urban forestry field will continue to grow throughout Oregon.

**Forest Health Management:** Insects, diseases, and invasive plants cause significant tree mortality, growth loss, and other damage to Oregon's forests. These impacts affect the economic and ecological roles forests play in the state. Additionally, this disturbance may contribute to hazardous forest fire conditions.

The department invests millions of dollars in federal grant funds in the form of eradication, control, and pest prevention treatments. The department also implements education, training, and public assistance, including delivery of cost-share funding, particularly in the wildland urban interface areas. ODF delivers on these priorities by:

- Conducting annual aerial surveys to identify damage from insects, disease and other agents on 28 million forested acres. Oregon and Washington lead the nation with the longest consecutive record of annual aerial surveys, initiated in 1947.
- Providing technical assistance and training to forest owners, foresters, and agencies about forest health and integrated pest management.
- Slowing the spread of the sudden oak death pathogen through intensive treatments.
- Performing surveys to detect Swiss needle cast, bear, sudden oak death, emerald ash borer, gypsy moth, and other damaging agents.
- Analyzing the state's insect and disease trends. For example, in 2019, the state estimated 753,000 acres with tree damage and mortality due to insects and disease which is the highest since 2011 and an increase for a third consecutive year. Increases can indicate poor forest health.
- Cooperating on applied research on specific forest health topics such as Swiss needle cast, bark beetles, and Scotch broom bio-control.

**Invasive Species:** Nonnative plants, animals, and diseases increasingly threaten forests. For example, Scotch broom causes lost timber revenue and requires control measures costing \$47 million annually, more than all other Oregon weeds combined.

As worldwide trade, travel and shipping increase, so do the invasive species threats. Managing these threats requires integrated and coordinated efforts. The department implements this approach by closely cooperating with agencies, research institutions, and the U.S. Forest Service.

Examples of collaborative efforts include:

- Asian and European gypsy moth eradication efforts included working closely with the Oregon Department of Agriculture, and several federal agencies including the Oregon Invasive Species Council which coordinated the outreach effort.

- Emerald ash borer (EAB) surveys are jointly conducted with U.S. and Oregon Departments of Agriculture. Nationally, property value loss and control costs for EAB total \$1.7 billion annually. The emerald ash borer has not been found in Oregon. The Oregon Department of Agriculture, the Department of Forestry, the cities of Portland and Corvallis, Oregon State University, and the U.S. Department of Agriculture among 45 entities developed a readiness and response plan if the insect does arrive.
- The Forest Pest Detector Program is a grant-funded collaborative effort with OSU to train tree professionals in the signs and symptoms of invasive species. Through training, participants learn how to detect emerald ash borer and the Asian long-horned beetle. The program has trained over 500 professionals.

**Insects:** Insects are a part of natural cycles in the forest. Insects can support critical functions such as pollination and natural control of other insects that damage trees. On the other hand, periodic forest insect outbreaks can cause significant tree death and damage. The department engages in activities that support healthy insect population levels and remedies where damaging outbreaks are occurring. Examples include:

- The Oregon Bee Project is bringing Oregonians together to create a science-based strategy to protect and promote and manage native bees through education, pollinator-friendly practices and research.
- Bark Beetle cost share program. Aids landowners in performing preventative measures to avoid bark beetle outbreaks in at-risk areas by providing a 50/50 cost share for activities such as thinning, sanitation, slash management and in some cases chemical treatments.

**Diseases:** Forest disease has an important role in forests but at unhealthy levels can negatively impact forests. In recent years, sudden oak death and Swiss needle cast have become particularly prevalent.

Sudden Oak Death kills tanoak and damages native rhododendron, huckleberries and other plants, currently, along the southwest coast in Curry County. It has been pushing north and intensifying within the quarantine area and threatens tanoak outside the quarantine. An interagency team has slowed the pathogen's spread. However, a number of issues are contributing to its continued spread: 1) a large disease footprint that readily spreads, 2) the emergence of a new, more virulent strain that threatens conifer species, 3) treatment funding levels are relatively flat despite continued and growing support from the Legislature and flat or declining federal contributions, and 4) added survey complexities and resource competition created by the emergency response to the Chetco Bar Fire.

Swiss Needle Cast, a fungus, affects Douglas fir on over 546,000 acres, mostly in the Coast Range. It causes needles to turn yellow and prematurely fall, which reduces growth and survival. The fungus causes the loss of more than 190 million board feet per year.

**J. E. Schroeder Seed Orchard:** The J.E. Schroeder Seed Orchard furthers the productivity, health, and economic sustainability of Oregon's forests by growing high quality tree seed. Goals for the orchard include meeting the seed production and management objectives of orchard cooperators. This is done to ensure long-term cooperative tree improvement and conserve productive tree species' genes. The seed orchard, a prominent producer of native tree seed since the early 1970s, helps ensure an ongoing supply of high-quality seed adapted to forest environments. The seed

has highly desirable ecological traits such as growth potential, wood quality, and disease tolerance. The orchard makes these enhancements using conventional plant breeding methods without genetic engineering or molecular technologies.

The orchard uses an innovative, long-term, public-private cooperative business model to benefit members. There are 32 cooperative orchards with 24 different cooperative members including state and federal agencies, and industrial forest companies. Orchards include Douglas Fir from Oregon and Washington, western hemlock, western red cedar, and Willamette Valley ponderosa pine. Yields of cone crops are consistently high and predictable. During the 2019 harvest season, the bearing orchards produced 688 pounds of Douglas fir seed, or enough to reforest about 40,000 acres of land.

Given the structure of the J. E. Schroeder Seed Orchard, the business model is dependent upon the recruitment and retention of cooperators. The orchard complex relies upon the repayment of services by the cooperators, receiving no outside state or federal funding support.

**Oregon Seed Bank:** The Seed Bank assures appropriate, climatically adapted tree seed is available for family forest landowners throughout Oregon. The Seed Bank is able to purchase up to 6 percent of each harvest from the Schroeder Seed Orchard and make it available to purchase at cost for family forest landowners, conservation programs, and tree seed nurseries.

The demand for seed has increased over the years due to a variety of factors. Seed availability has also increased to include seed zones across the state. The major tree species available include Douglas fir, western hemlock, western red cedar, and Willamette Valley ponderosa pine, but a wide range of additional species can also be obtained through the Oregon Seed Bank.

The impact of the Seed Bank is significant. In 2019, over 168 pounds of seed capable of producing in excess of 3.2 million seedlings was distributed. This seed, comprised of seven important species, is capable of reforesting over 8,000 acres. Genetically improved seed can produce greater growth which has the potential to increase profitability for family forest landowners and is consistent with ODF goals of maintaining a productive forest land base. Ecologically adapted seed is an asset on the landscape and may further benefit the forestry sector in general and stimulate Oregon's economic base. Despite the availability of tree seed through the Seed Bank, family forestland owners face challenges having their seed grown into seedlings needed for forest regeneration following harvest or natural disturbances such as wildfire, as nursery growing space is limited when demand for forest seedlings is high.

**Biomass and Wood Utilization:** Robust markets for wood products and forest biomass benefit all Oregonians through rural economic development, improved forest health, reduced fire risk and suppression costs, and homegrown, low-carbon energy. Markets for forest products offer forest landowners a revenue stream needed to manage forests for a variety of outcomes including responding to insect, disease and wildfire. Markets play a key role in keeping forests healthy and productive. For federal managers, improved markets for biomass and other restoration by-products could increase the pace and scale of federal forest restoration efforts.

ODF will continue to build on successful partnerships, such the Cohesive Wildfire Strategy and the Statewide Wood Energy Team, to strengthen wood products and biomass markets.

Past market development activities have focused on providing financial support to entrepreneurs bringing new forest products and biomass uses forward. ODF's grant investments to businesses have resulted in several new startups and business expansions including:

- Restoration Fuels new \$18.5 million torrefied wood facility in John Day, currently under construction, will use 150,000 green tons of low value biomass from surrounding federal forests.
- Silver Sage new \$22 million combined wood and alfalfa pellet mill under construction in Hines. The new facility will generate 15 new jobs and create demand for over 40,000 tons of forest biomass.
- InBound LLC worked with the community of Oakridge to develop a low-cost firewood program to provide a consistent source of dry firewood to help lower winter air emissions. The firewood program is part of the community's effort to improve air quality.
- Wallowa Resources developed a biochar-based soil product at Integrated Biomass Resources to make greater use of forest residuals and serve the growing demand for biochar-based soil amendments. IBR's development of a soil product with biochar diversifies their product offerings and provides a value-added use for forest residuals.

The rising popularity of mass timber construction presents an opportunity for expanded use of traditional and advanced wood products. Interest in tall wood buildings also creates an opportunity to inform the public about the benefits of building with wood from Oregon's forests. Global demand for low-carbon energy sources is creating opportunities to use Oregon's abundant forest resources for new products such as industrial wood pellets, torrefied wood pellets and liquid transportation fuels. Heightened interest in corporate sustainability is raising demand for biomass energy to serve the growing energy load created by the technology sector. Interest in carbon sequestration and improved soil health is driving efforts to commercialize biochar as a carbon-negative soil amendment.

### **Current Issues and Focus**

Since the founding of the Department of Forestry in 1911, Oregon has witnessed a continuous evolution of forest challenges. Starting with wildfire and reforestation laws, and later evolving into maintaining healthy, sustainable forests on both private and public forestland, Oregon has been successful in meeting these challenges. The passage of Oregon's Forest Practices Act in 1971, was precipitated by an increase in the public's environmental awareness and concern regarding natural resource protection. The FPA and associated best management practices emphasize a strong regulatory approach to ensuring desired public benefits from private forestlands and has continued to adapt over time in response to monitoring and research findings.

Today we are facing the next evolution of challenges to healthy, sustainable forests in Oregon - conversion and fragmentation of forestlands and the associated challenges with increased development and population pressure. As Oregon grows it faces greater development and population

pressures; increasing numbers of forest tracts are being converted to other uses or face a heightened risk of conversion in the future. Nationally, the U.S. Forest Service and the National Association of State Foresters identified development and forest fragmentation as critical issues. Development and economic pressures on private lands are driving parcellation and conversion of forestland to other uses. Private lands close to expanding population centers and family forests are particularly threatened by these trends. Expansion of populations into the forest increases the number of complaints and conflicts with working forests, as well as the number of wildfire ignition sources. This creates further disincentive to maintain sustainable working forests close to population centers. Of all the human impacts to forests, development causes the most permanent change.

A report by the Forest Service states nearly 80 percent of the nation's freshwater originates from forestland. When forests are lost to conversion, stand replacing wildfire, or severe insect and disease outbreaks, the quality and quantity of our water supply is affected. Forests, water, fish and wildlife habitat, and people are intricately connected. The new challenges of urban sprawl, forest conversion, climate change, invasive species, and severe wildfires are more daunting and complex than issues at the time the FPA was enacted in 1971.

These changes and challenges affect the department's ability to deliver efficient and effective services to private forest landowners and thus maintain healthy forests. ODF faces a significant task in administering the FPA *and* providing wildland, urban, and community forest education and technical assistance. ODF field staff spend an increasingly disproportionate amount of time working with complex natural resource situations and conflicts in forests already at risk of conversion and fragmentation. The department must ensure it continues to deliver a mix of services that meets the diverse needs of Oregonians, landowners, communities, developers, regulators, and stakeholders across a broad diversity of forests while promoting and conserving forest land and forest values. Thus, where the regulatory approach was the primary tool in the past, the changing landscape and socio-economic needs of society today highlight the need to develop new and innovative landowner and institutional strategies to address today's challenges.

### **Revenue Sources and Proposed Revenue Changes:**

The Private Forests Division makes use of multiple funding sources to operate its programs:

- Forest Practices—To fund Forest Practices Act administration, the General Fund typically contributes 60 percent, and 40 percent comes from the Oregon Forest Products Harvest Tax.
- Federal Funds—The division receives funds from several federal agencies. Most federal funds have historically been from the U.S. Forest Service. About half of these come from consolidated grant programs. The remaining federal funds are matched at a 1:1 ratio, with General Fund and with non-federal partner funds.

- Other Funds—Includes cooperative projects, private donations, and other receipts. This revenue is estimated based on previous years.
  - Cooperative project partners include Oregon State University, the Oregon Departments of Agriculture, Fish and Wildlife, and Environmental Quality, the Oregon Watershed Enhancement Board, the Oregon Forest & Industries Council, and the federal Natural Resource Conservation Service and Forest Service.
  - Private Donations – Urban and Community Forestry Assistance Program receives and disburses money and labor, material, seedlings, trees and equipment donations from public and private sources for urban and community forestry programs.
  - Other receipts and fees include seed sales to family forestland owners and document request fees.





# FEDERAL FOREST RESTORATION PROGRAM USE OF THE GOOD NEIGHBOR AUTHORITY

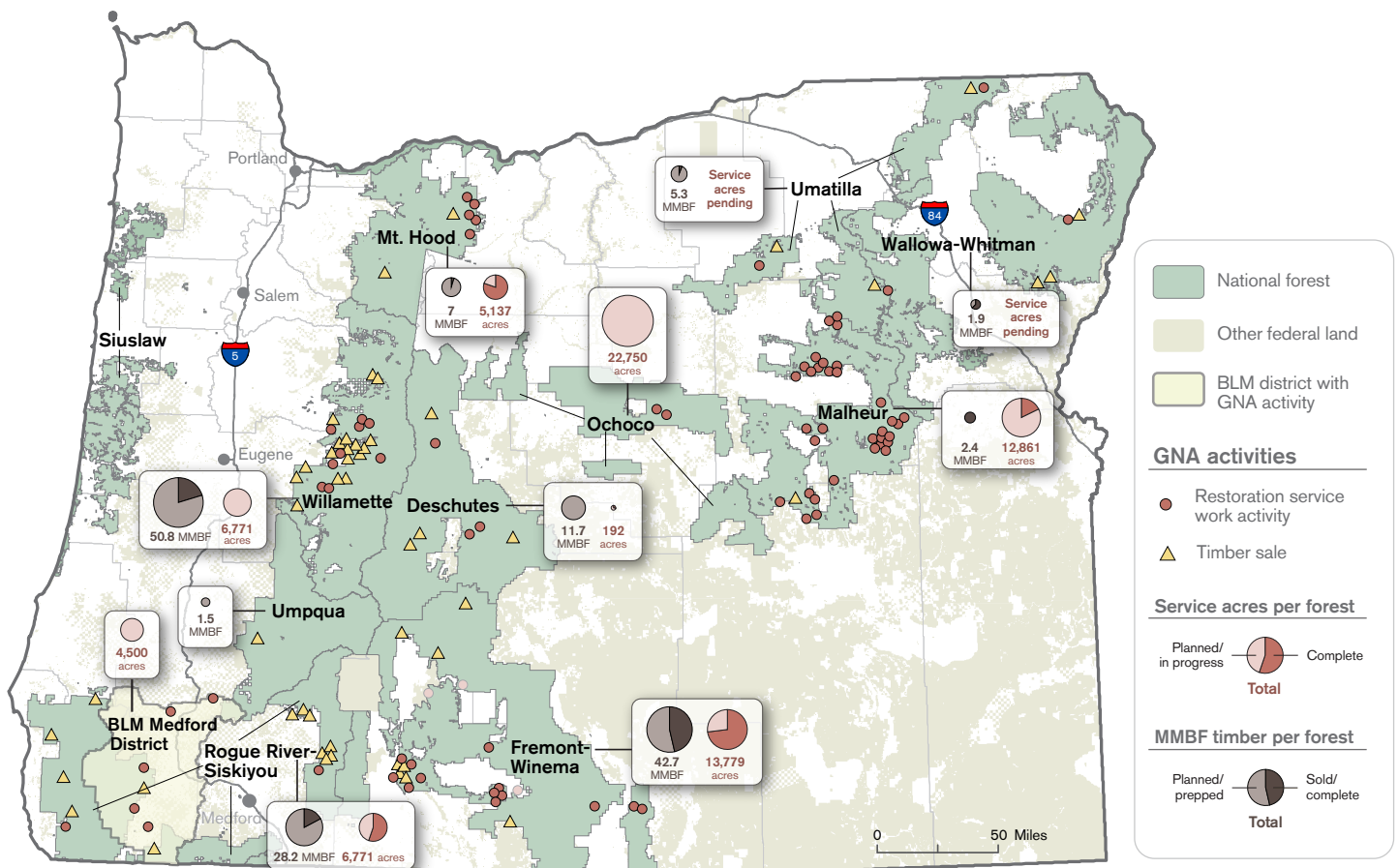
## 2016–2020 ACTIVITIES AND OUTCOMES



FACT SHEET 22 • December 2020

The Federal Forest Restoration Program (FFRP)—administered by the Oregon Department of Forestry (ODF)—has been using Good Neighbor Authority (GNA)<sup>1</sup> since 2016 to complete restoration activities on lands managed by the USDA Forest Service and Bureau of Land Management. The Oregon Legislature House Bill 4118 in 2018 established a state priority to pursue GNA projects that increase timber harvest volume, create jobs, reduce wildfire risks, improve wildlife habitat and watershed health, and stimulate local economies. This fact sheet is an update to prior years reporting of select outcomes from GNA activities administered by ODF from 2016 to 2020. The information reported here is in support of an effort by ODF<sup>2</sup> to summarize outcomes from all projects pursued under GNA agreements in Oregon. Additional information on FFRP work can be found in prior year’s reports.<sup>3</sup>

### Good Neighbor Authority activities administered by Oregon Department of Forestry, 2016–2020



<sup>1</sup> The Good Neighbor Authority was authorized in the 2014 Farm Bill. It allows federal and state agencies to work in partnership to implement watershed and forest management activities on federal lands. <sup>2</sup> ORS 526.276 requires ODF to submit a GNA outcome report by Dec. 31 of every even-numbered year to a committee of the Legislative Assembly related to economic development. <sup>3</sup> The Ecosystem Workforce Program has conducted the monitoring of the FFRP since it began in 2014; summary and detailed reports are available at [http://ewp.uoregon.edu/ODF\\_FFRP\\_Monitoring](http://ewp.uoregon.edu/ODF_FFRP_Monitoring). Reports with additional detail for the current biennium are forthcoming.

**27**  
agreements

– with –

**10** national forests  
(21 agreements)

**1** BLM district  
(4 agreements)

**Forest Service PNW**  
**Regional Office**  
(2 agreements)

Agreements have resulted in:

Restoration service work



## Activities

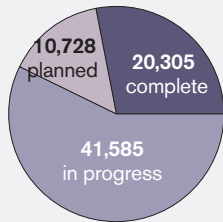
**9** national forests, **1** BLM district



BLM

covering

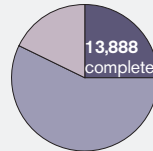
**72,618** acres



including

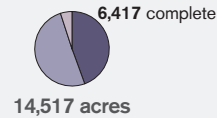
### Survey & sale prep work:

- wildlife surveys,
- data collection,
- precommercial assistance such as timber sale layout or timber marking,
- other professional services)



### On-the-ground work:

- non-commercial or precommercial thinning;
- brushing, piling, or scattering materials;
- prescribed burns;
- road decommissioning or closures;
- stream restoration;
- wildlife habitat enhancement



### Monitoring work:

- data collection for post-implementation monitoring of upland and river restoration projects



Timber sales



## 54 Sales

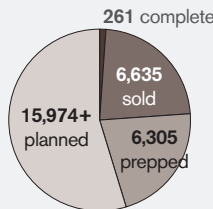
4 complete, 13 sold,  
11 prepped, 26 in development

**9** national forests



over an anticipated

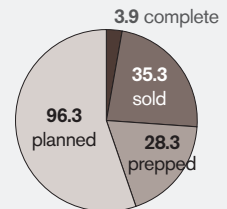
**29,175**  
acres



and

**151.9**

MMBF  
(million board feet)



Contract NEPA projects



## 9 Projects

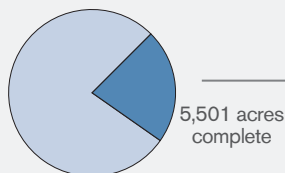
4 complete, 5 in progress

**6** national forests

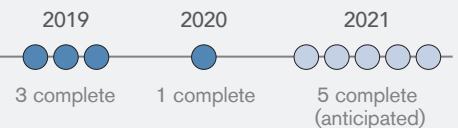


over an anticipated

**24,716**  
acres

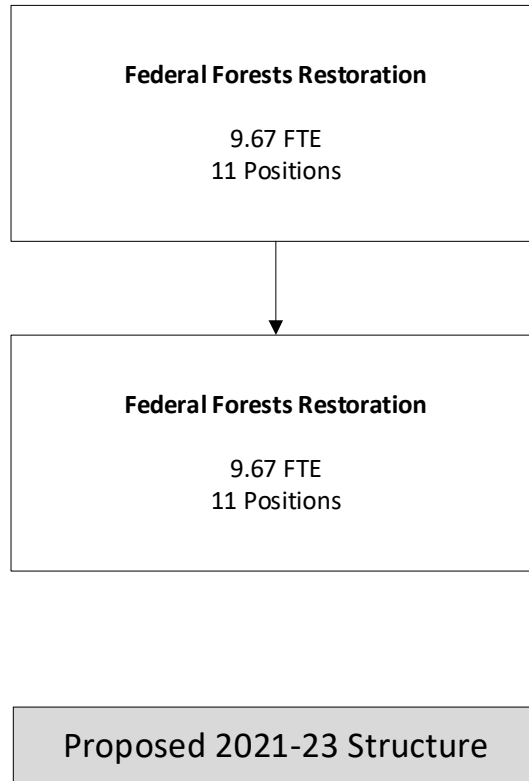


during



# Federal Forest Restoration Program Narrative

## Organization Charts



Executive Summary

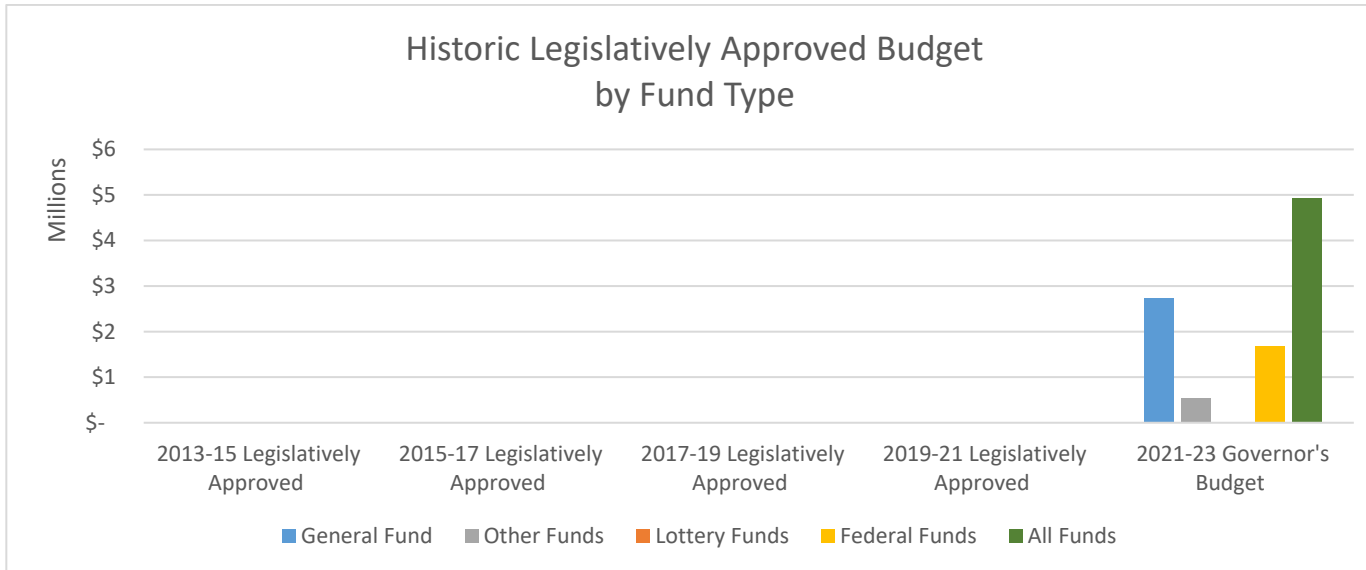
**Long-Term Focus Areas:**

Responsible environmental stewardship

**Primary Division Contact:**

Jeff Burns, Partnership and Planning Program Director, 503-945-7346, jeff.d.burns@oregon.gov

**Division Total Funds Budget:**



**Division Overview:**

The Federal Forest Restoration (FFR) Program was established to increase the pace, scale and quality of restoration of Oregon's federal forestland. In addition to state funds, the program budget is significantly increased by the infusion of an additional \$5 million of federal funds per biennium from state and private grants and Good Neighbor Authority projects that are primarily used to implement forest stewardship projects across public and private lands.

**Division Funding Request:**

For 2021-23, the Federal Forest Restoration Program is requesting \$4,931,882 total funds (\$2,727,667 General Fund; \$527,785 Other Funds; and \$1,676,430 Federal Funds). The requested funding enables the program to increase the pace, scale and quality of restoration of Oregon's federal forestland. It also enables the program to better meet the needs of the department's diverse stakeholders and the public.

Without funding, 14 timber sales (three more in the queue) across the state, advertised for a total of 25,484 MBF with a value of \$4,105,812 of program income, will stall and potentially become unavailable to complete. Additionally, seasonal crews have a myriad of contractual commitments to the Forest Service that will not be accomplished.

The estimated cost for 2023-25 is \$5,235,091 and for 2025-27 is \$5,557,291. The projected 2023-25 and 2025-27 biennial budgets use only the standard inflation rate to maintain these services and outcomes.

**Division Description:**

Strategic areas of focus for the program include working with federal field staff to identify and develop project-level agreements and support implementation of Good Neighbor Authority projects. Program components include investments in and support for Oregon's forest collaboratives; investments in and support for National Environmental Policy Act (NEPA) planning for federal land restoration projects; ODF field staff support for restoration project prep and layout; and GNA service and timber projects. Another key FFR program component is the integration of FFR and GNA investments with FIU actions implemented on private lands to achieve landscape-significant results. The FFRP partners with the Oregon Watershed Enhancement Board to solicit and award grants to local collaborative groups. The FFRP works closely with the State Forest Division when work involves administering a timber sale on land managed by U.S. Forest Service or Bureau of Land Management. Revenue from timber sales cover ODF costs to implement this work and fund additional restoration needs.

**Division Justification and Link to Long-Term Outcome:**

The FFR Program develops and implements the concept of shared stewardship in partnership with the Forest Service. This plays a critical role in engaging and facilitating conversations to gain input from external partners and stakeholders regarding FFR strategic direction, evaluation and design

of program components, ensuring transparency and reporting accomplishments. The FFR Program coordinates with federal and state agency partners on administrative policy issues, forest management planning, and prioritizing projects to ensure the long term outcome of increasing the pace, scale, and quality of forest restoration in Oregon across ownerships.

A logical connection between the performance of this program and our long-term goals is shown in the matrix below:

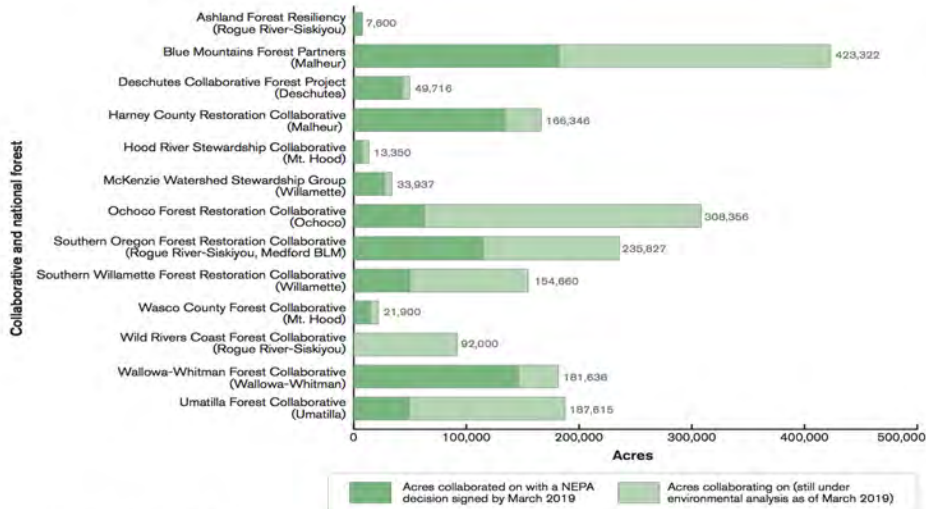
Monitoring the FFR program since FY2014:

Treatment activities	Acres treated
	# and diversity of projects
Timber supply	Volume sold
	Volume under contract
	Acres treated/affected
Economic impact	Jobs created/retained
	GDP generated
	Matching funds leveraged
Collaborative capacity	Collaborative acres planned Timber sale acres planned
	Collaborative acres implemented (by veg mgmt. activity)
	Economic impacts linked to collaboratives Impacts from grant funds Impacts from timber sales
	The role of collaboratives in accelerating restoration (pace, scale, quality)
	Creation/growth of collaborative capacities from grant funds
	Challenges
GNA-specific	\$ invested/revenue generated
	Use of program revenue

**Division Performance:**

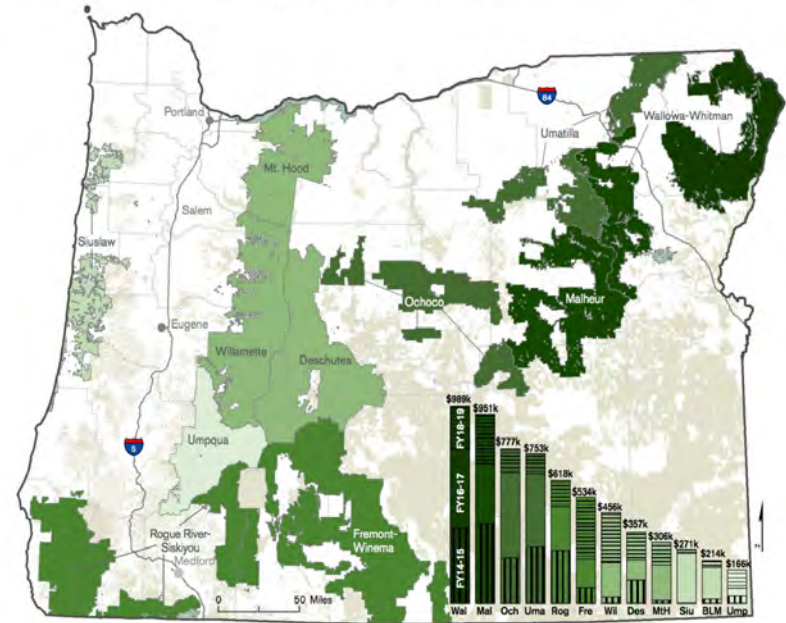
The state and Forest Service use grant programs to cooperatively manage forest health issues across all forested lands, provide technical and financial assistance to nonindustrial landowners, and support urban and community forest protection and management. The state and Forest Service collaborate on multiple monitoring and research projects. This collaboration extends across all lands to the National Forest System through the Federal Forest Restoration Program.

**Figure 1 Acres collaborated on by groups receiving FFR Program collaborative capacity grants\*, FFY 2014-2019**

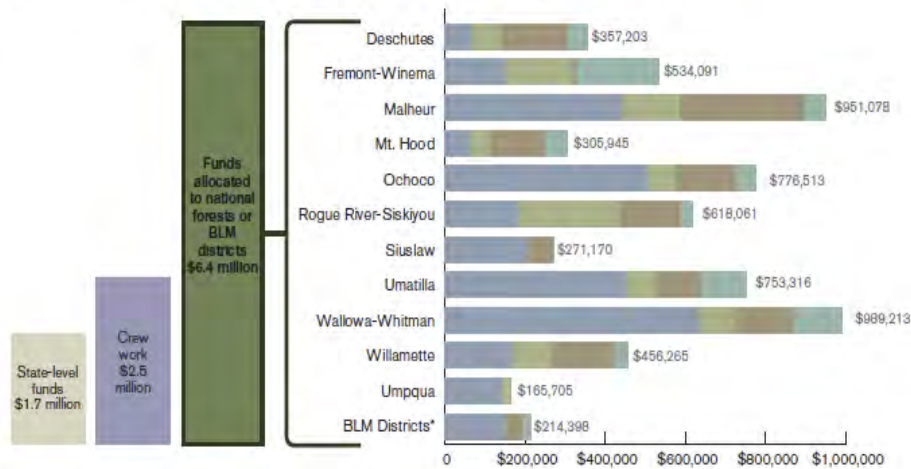


\* These acres are those that collaboratives worked on with FFR Program grant support. Other acres may have been accomplished but could not be linked to the FFR Program's investment.

**Figure 2 FFR Program spending totals by federal land management unit and biennium**





**Figure 3 FFR Program spending by federal land management unit, FY14-19**



Agreements have resulted in:

Service work

 **Activities** — on — **10** national forests  
(April 2019) 

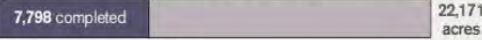
**26,146** acres



including

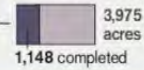
**Survey and sale prep work:**

(i.e., wildlife surveys, data collection, precommercial assistance such as timber sale layout or timber marking, and other professional services)





**On-the-ground work:**

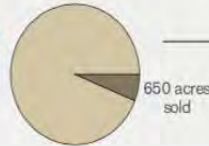
(i.e., non-commercial or precommercial thinning; brushing, piling or scattering materials; prescribed burns; road decommissioning or closures; stream restoration; or wildlife habitat enhancement)



Timber sales

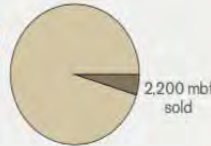
 **17** Sales — on — **8** national forests  
1 sold, 16 in development  
(April 2019) 

**10,258** acres



and

**44,890** mbf



Statewide capacity



**5** Statewide agreements

These efforts have supported:

- ODF completing contract NEPA analyses for USFS.
- Statewide wildlife monitoring efforts for Western Pond Turtles and White-Nose Syndrome in bats.
- Federal Forest Restoration Program staff and the multi-stakeholder Federal Forest Working Group.



**Enabling Legislation/Program Authorization:**

The Good Neighbor Authority (GNA) was authorized in the 2014 Farm Bill. It allows federal and state agencies to work in partnership to implement watershed and forest management activities on federal lands.

The Federal Forest Restoration Program (FFRP)—administered by the Oregon Department of Forestry (ODF)—began using GNA in 2016 to complete restoration activities on lands managed by the USDA Forest Service and Bureau of Land Management.

**House Bill 4118** (2018) established a state priority to pursue GNA projects that increase timber harvest volume, create jobs, reduce wildfire risks, improve wildlife habitat and watershed health, and stimulate local economies.

**Funding Streams Supporting the Program:**

The Federal Forest Restoration Program is primarily funded using federal funds from the Good Neighbor Authority agreement. The smaller portions of the state General Fund and Other Funds are to support personal services and service and supplies.

**Funding Proposal Comparison:**

During the 2019-21 biennium the Federal Forest Restoration (FFR) program was part of the Agency Administration budget, but for 2021-23 FFR has moved to its own SCR. There are no Policy Option Packages (POPs) that effect FFR, however, Policy Option Package 161 Implementing Shared Stewardship in Agency Administration will provide additional capacity that will work closely with the FFR program.

## Program Unit Narrative

In response to a growing portfolio of GNA project work, the Southern Oregon Area and Eastern Oregon Area staff conducted a capacity needs assessment to identify short-to-mid-term staffing needs. In total, in Policy Option Package 161 Implementing Shared Stewardship, the team has identified the need for an additional 19 FTE by September 2021. This estimate is based on current projects authorized under GNA agreements and forecasted work during that timeline. The additional capacity is a mix of NRS1 and NRS2 positions with the expectation that by June 2023, the positions will be 100% funded with federal funds from GNA projects. In addition, this assessment identified the need for a minimum of 10 FTE-equivalents of seasonal staff capacity (FMT classification).

To date, the FFR budget (state General Fund) has been used to provide gap funding necessary to hire additional full-time staff to span the timeframe when project revenue from timber sales is realized (1-2 year timeframe from sale date). With no additions to the FFR budget, the additional staff capacity can only be phased in through 2022 depending on the amount of General Fund available to provide gap funds.

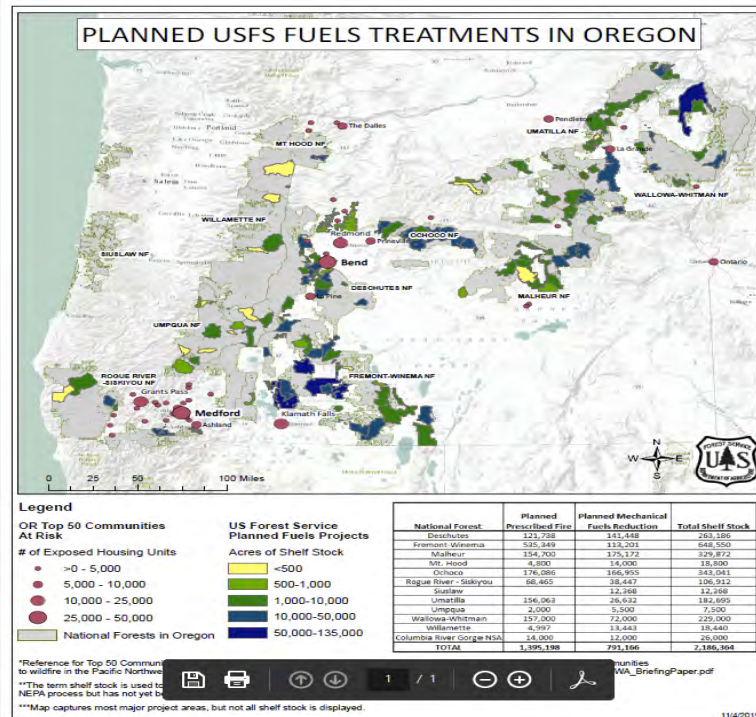
Alternatively, this POP could consider an additional one-time investment of general fund for 2021-2023 to establish all or some portion of the positions, and transition funding to 100% federal by the end of the 2021-2023 biennium.

### **Additional staff capacity at the program level to expand geographic and programmatic scope:**

GNA opportunities in Western Oregon, including existing work on the southern end of the Willamette National Forest, will necessitate an additional FFR Coordinator position (NRS3) based in the field (likely NWOA) to provide service to the Willamette NF and the Mt Hood NF. The proposal is to fund these staff positions with general fund.

### **Important Background for Decision Makers:**

One example of an external workload that will affect the operation of the program is the planned fuel treatments on USFS land seen below. ODF will enter into agreements with our federal partners to add capacity to these projects in the planning, administering, implementation and monitoring stages. These projects will also build upon each other across the landscape to form an interrelated fabric of landscape scale restoration projects that is Shared Stewardship.



**Revenue:**

- Program revenue generated by federal GNA timber sales.
- Additional federal funds provided through Supplemental Project Agreements (SPA) with the Forest Service.
- No match is required.
- With Shared Stewardship and recommendations from the Governor’s Council on Wildfire Response, both the opportunities and expectations for ODF to staff up significantly to implement projects across both public and private lands will grow exponentially over the 2021-2023 biennium.

**Proposed New Laws:**

None.

# Agency Administration



## Who we are

The Administrative Branch provides business management guidance to the department, and administrative services to internal and external customers in accounting, budgeting, contracting, purchasing, personnel management, property management, public outreach, and overall business management through nine programs.

## Administration Modernization

Leads efforts to transform and modernize the administrative capabilities of the agency. It focuses on system implementation and innovative process improvements within the department's business processes and controls, infrastructure, applications and systems across all administrative service delivery channels.

## Budget Management

Works to ensure that the department's budgetary resources are adequate by providing policymakers with analysis and recommendations on policy initiatives related to the department's biennial budget, supporting budget development, and monitoring budget execution for compliance with policy and statutory objectives.

## Contracts and Acquisition Management

Provides strategic, technical, and operational support and oversight for the department's procurement activities such as contracts, grants, agreements, purchase orders, and contract administration activities, minimizing risks and ensuring the best value is obtained.



### **Equipment Pool**

Provides statewide leadership, direction, and support services in the areas of equipment logistics and business management to ensure sustainable stewardship and modernization of agency fleet, communication technologies and systems infrastructure.

### **Facilities Capital Management**

Responsible for managing, monitoring, and developing the department's facility assets to meet long-term strategic capital needs, lifecycle replacement, sustainability performance requirements, operations and maintenance activities.

### **Financial Services**

Provides fiscal services in accordance with federal and state laws, rules, policies and procedures, utilizing complex accounting systems and techniques to provide fiscal data for department programs financed through a variety of funding appropriations.

### **Human Resources**

Aims to attract and retain a diversified, empowered, and high-performing workforce in an equitable way that reflects Oregon values. They provide quality, responsive customer service in direction, guidance, and assistance on personnel, training, payroll management, and safety matters that promote a safe, inclusive, and supportive workplace for our permanent and seasonal employees throughout the state.

### **Information Technology**

Manages the department's statewide information technology (IT) program, providing planning, coordination and services in database administration, application development, GIS, data processing, technology training, computer, software and peripheral purchasing, communications, data security, web technologies, and system administration for all enterprise systems.

### **Public Affairs**

Tells ODF's story, helping Oregonians connect with and understand our services through strategic communications, platform and product enhancements, media relations, web and social media oversight, public meetings support and responsible records management.

### **Contact**

Bill Herber, Deputy Director for Administration  
503-945-7203

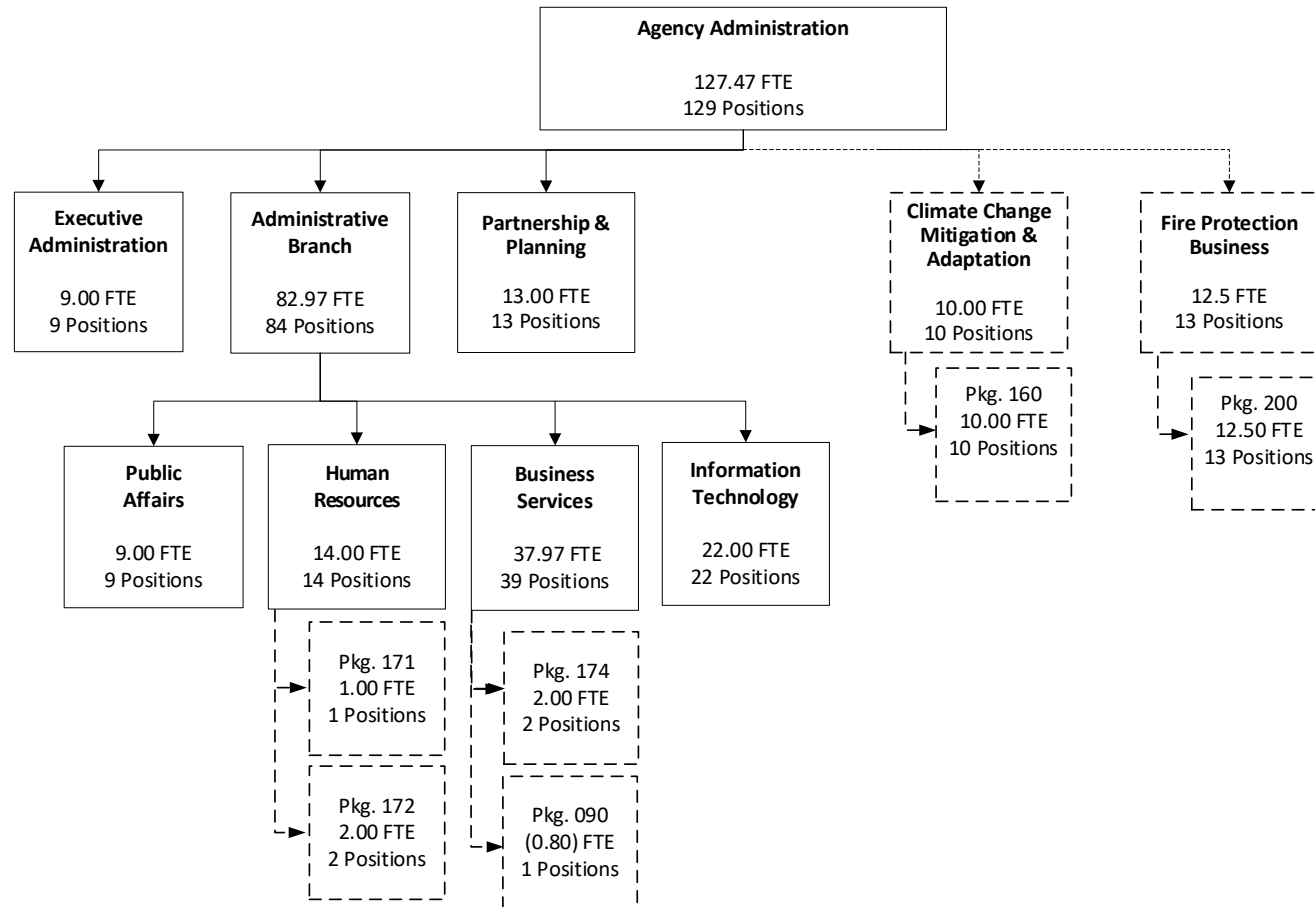
[Bill.Herber@oregon.gov](mailto:Bill.Herber@oregon.gov)

James Short, Assistant Deputy Director for Administration  
503-302-8478

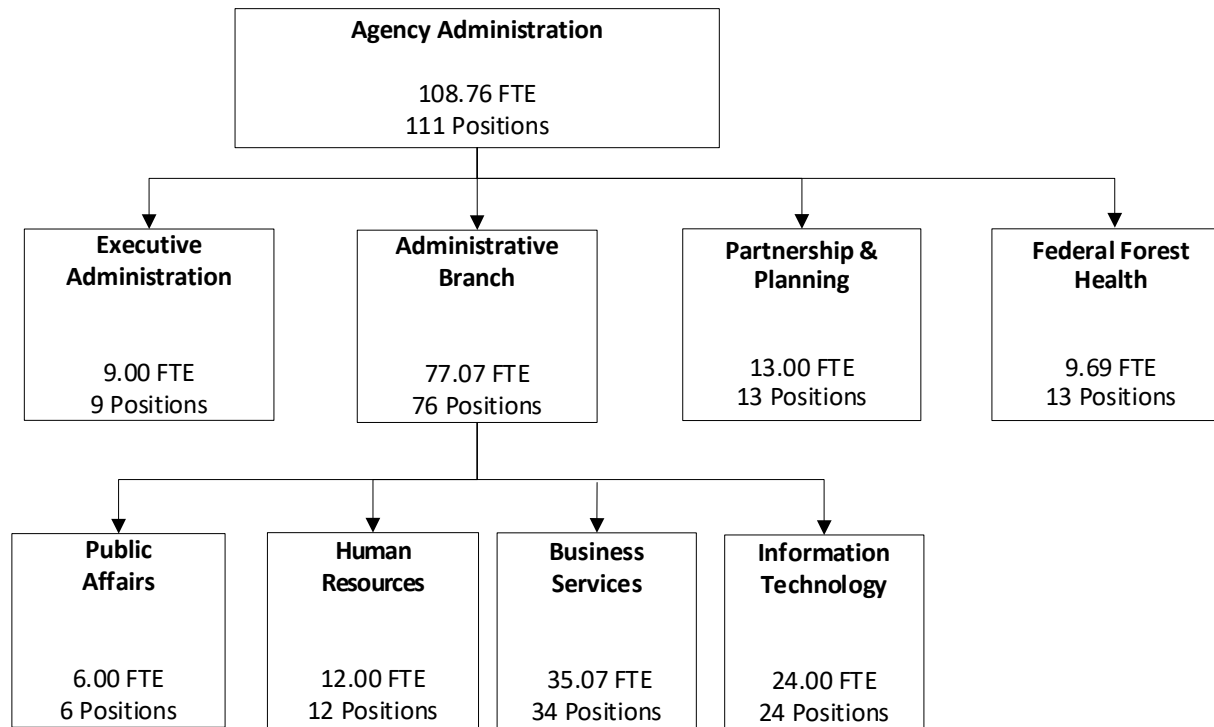
[James.Short@oregon.gov](mailto:James.Short@oregon.gov)

# Agency Administration Narrative

## Organization Charts



Proposed 21-23 Structure



Current 2019-21 Structure

## Executive Summary

### Long-Term Focus Areas:

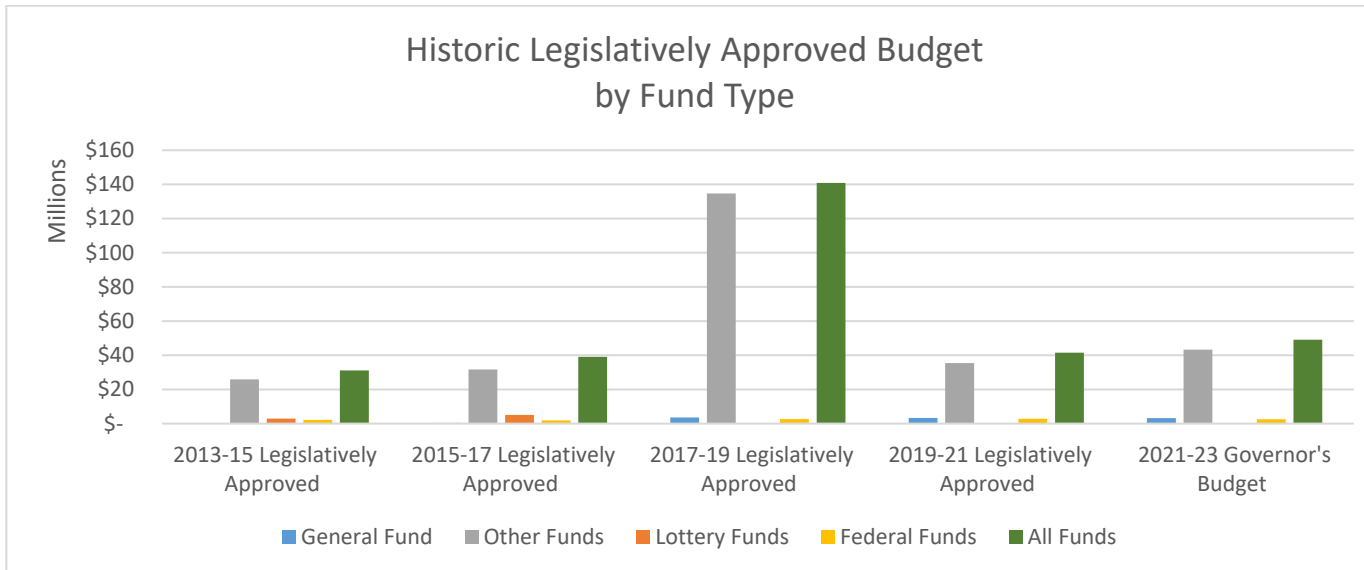
Primary Outcome Area: Deliver State Services Effectively and Efficiently

Secondary Outcome Area: Social Equity

### Primary Division Contact:

Bill Herber, Deputy Director for Administration, 503-945-7203, bill.herber@oregon.gov

### Division Total Funds Budget:



### Division Overview:

The Agency Administration Division's mission is to provide high quality leadership, assessment, policy development, public involvement, communications and administrative systems support to the Board of Forestry and the agency, providing the foundation for effective implementation of the department's core business functions.



**Division Funding Request:**

For 2021-23, the Agency Administration Division is requesting \$49,084,403 total funds (\$3,227,675 General Fund; \$43,260,404 Other Funds; and \$2,596,324 Federal Funds).

The requested funding enables the division to provide the required support to the Board of Forestry and the department's operating divisions. It also enables the division to better meet the needs of the department's diverse stakeholders and the public.

**Division Description:**

The Agency Administration Division has three primary components:

- **Agency Leadership and Management**, which in concert with the Board of Forestry, provides leadership and policy direction on all forestry matters in the state, and also includes internal audit and legislative coordination.
- **Partnership and Planning**, comprised of forest resources planning that furnishes technical analysis and planning, as well as a wide variety of information on forestry issues to other divisions of the Department and to other state, federal and local agencies and the public, and partnership development, which manages and pursues a variety of grant opportunities.
- **Administrative Branch**, comprised of Budget Management, Financial Services, Human Resources, Information Technology, Contracts and Procurement, and Public Affairs.

The estimated cost for 2023-25 is \$52,483,553 and for 2025-27 is \$56,136,002.

**Division Justification and Link to Long-Term Outcome:**

The division's direct customers are the Board of Forestry and department employees. Indirect customers include forest landowners, local, state, federal agencies and tribal governments, non-profit natural resources organizations, academic and corporate institutions, and the public. In support of the department's operating programs, work is also sometimes accomplished for entities at a regional or national level.

The Agency Administration Division's mission is to provide leadership, assessment, policy development, public involvement, communications and administrative systems in support of the Board and department, and to provide the foundation for effective implementation of ODF's core business functions. The division continuously evaluates its processes to improve service delivery. It takes very seriously its responsibility as stewards of public dollars. All of these efforts link directly with the element of the Governor's strategic plan calling for excellence in state government.

**Enabling Legislation/Program Authorization:**

The Agency Administration Division implements the authority vested in the Board of Forestry through the following primary ORS Chapters:

ORS 321 - Timber Taxes

ORS 477 - Fire Protection

ORS 526 - Forestry Administration; Private Forests

ORS 527 - Insect and Disease Control; Private Forests ORS ORS 530 - State Forest Lands

ORS 532 - Log Brands

In addition, a large portion of the department's administrative responsibilities and authorities are delegated by instruction, policy, or administrative rule from the Department of Administrative Services, the Secretary of State, the State Treasurer, and the Governor's Office.

**Funding Streams Supporting the Division:**

Agency Administration is mostly funded by the Other Funds and Federal Funds assessed against department programs on a pro-rated basis by funding source, such as state forest timber receipts and the Forest Products Harvest Tax. The division also receives a small amount of revenue from fees charged for services and map sales. About half of the pro-rated revenues are derived from the General Fund.

**Funding Proposal Comparison:**

The Agency Administration Branch's 2021-23 funding proposed remains very similar to the approved 2019-21 budget, with the exception of the following four Policy Option Packages (POPs):

POP 160-Forest Climate Change Mitigation & Adaptation: The purpose of this package is to focus on Governor Brown's Executive Order 20-04 directing state agencies to take action to reduce and regulate greenhouse gas emissions and directing ODF to exercise any and all authority and discretion vested in them by law to help facilitate Oregon's greenhouse gas (GHG) emission reduction goals.

POP 171-Firefighter Life Safety: The purpose of this package is to support the agency's critical life safety communication and location tracking for firefighters and emergency response efforts through operation and maintenance of wireless communication systems, equipment, resources, and infrastructure. In Agency Administration this package adds a Safety Specialist.

POP 172-Diversity, Equity, & Inclusion: The purpose of this package is to address capacity needs that often overlap in furthering agency strategies on diversity, equity and inclusion, environmental justice, enhanced sustainability and government-to-government Leadership.

POP 174-Facilities Capital Management Capacity: The purpose of this package is to address the workload capacity needs within the Facilities Capital Management Program.

### *Administrative Branch*

The Administrative Branch provides business management guidance to the department, and administrative services to internal and external customers in accounting, budgeting, contracting, purchasing, personnel management, property management, public outreach, and overall business management. The branch consists of seven programs: Budget Management, Contract and Acquisition Management, Facilities Capital Management, Financial Services, Human Resources, Information Technology, and Public Affairs.

The Budget Management Program works to ensure that the department's budgetary resources are adequate by providing policymakers with analysis and recommendations on policy initiatives related to the department's biennial budget. The program's fiduciary responsibilities are to support biennial budget development and to monitor budget execution for compliance with policy and statutory objectives. This is accomplished by fiscal analysts organized around the department's budgetary applications, program structure, geographic areas, and administrative sections.

The Contracts and Acquisition Management Program provides strategic, technical, and operational support and oversight for the department's procurement activities such as contracts, grants, agreements, purchase orders, and contract administration activities. The program seeks to minimize potential risks inherent in the process and maximize the department's limited resources by ensuring the best value is obtained.

The Facilities Capital Management Program is responsible for managing, monitoring, and developing the department's facility assets to meet long-term strategic capital needs, lifecycle replacement, and sustainability performance requirements. It also manages the Salem Headquarters Campus operations and maintenance activities, which comprises of ten commercial buildings and structures and adjacent grounds.

The Financial Services Program provides financial information, agency-wide payroll management and coordination, and makes available required legal reports on the use of public funds. It provides fiscal services in accordance with federal and state laws, rules, policies and procedures. Services include review of federal rules, state legislation, and Department of Administrative Services (DAS) rules to facilitate required changes in department programs, policies, and procedures. These activities require a complex accounting system to provide fiscal data for programs that are financed through a variety of Other Funds, General Fund, and Federal Funds appropriations. In addition, the Financial Services Program plans, develops and implements new accounting techniques and modifies existing systems and procedures to meet statutory requirements. It provides managers with data necessary for policy and program planning. It coordinates management of the department's statewide non-real property inventories and tracks state and federal property; statewide General Services Administration (GSA) ordering and requisitions; and statewide equipment and property distribution, storage, disposal, and central warehousing.

The Human Resources Program provides leadership in the area of human resource management to the department and associated organizations, with a focus on high quality, responsive customer service. The program is responsible for providing direction, guidance, and assistance to Department of Forestry employees on personnel, training, and safety matters. The unit supports approximately 700 permanent and 700 seasonal positions throughout the state. The program contributes to accomplishment of department goals by supporting the development of a diversified, creative and skilled workforce that views the organization as their employer of choice. The program is faced with the major challenge of integrating all human resource functions, many of which are currently disparate, into a cohesive program that provides the department with a diverse, well-trained and highly motivated work force.

The Information Technology Program manages the department's statewide information technology (IT) program. The IT program has four sub-units: Technical Operations Support, Application Development, GIS and the Radio Unit. IT provides planning, coordination and services in database administration, application development, GIS, data processing, technology training, computer, software and peripheral purchasing, data security, web technologies, and system administration for all enterprise systems. The program also manages the department's internet web filtering, anti-SPAM appliance, and data backup systems, in partnership with the State Data Center. Department infrastructure consists of 43 local area networks (LANs) serving more than 1,400 computers and mobile devices. The department also has 46 production servers and 31 remote servers at field offices that are managed by the State Data Center. The program also partners with DAS on the enterprise systems used by ODF: Workday, OregonBuys, payroll and personnel systems, Statewide Financial Management System (SFMS), and the Electronic Training System (iLearn Oregon).

Internally, the IT program supports office automation and personal productivity tools such as Microsoft Office, relational databases, project management, desktop publishing, geographic information systems (GIS), and internet and intranet access. Additionally, the program supports several mission-critical business applications, such as the timber sales accounting system, fire reporting systems, forest operations tracking, purchase order system, grant management system, and forest operations tracking systems.

The Public Affairs Program tells ODF's story and helps the department's broad array of stakeholders connect with and understand the department's core business areas. It does this by establishing department-wide policies and procedures for communications activities, and supporting and assisting divisions and programs in sustaining, enhancing, and expanding their communications efforts. The key activities through which the Public Affairs Program leads and supports the department's communications efforts are:

- Strategic communications planning, which provides the framework against which division and programs can execute successful communications efforts.
- Creation of products to help deliver information, including fact sheets, publications, news releases, videos and photographs, web content, and talking points.
- Creating connections with the public through activities such as:
  - Media relations.

- Overseeing the department's web and social media presence.
- Management of the department's public records program.
- Assistance with fulfilling the department's statutory requirements under the state's public meetings law.
- Answering calls and emails from members of the public with general forestry-related questions.

**Important Background for Decision Makers:**

- Continued decentralization by the state Department of Administrative Services, resulting in Department of Forestry increases in:
  - Reviews and audits, and the personnel to accommodate them.
  - Roles and responsibilities at the agency level, with increases in personnel and other costs to manage this workload.
  - Need for strong internal controls and process improvement to implement these controls.
  - Complexity in risk management.
- Increased need for efficient and often automated business systems, in turn requiring increased investment in hardware, software and staff training.
- Increased need for analysis and process improvement.
- Increased financial management controls to decrease the likelihood of fraud, waste or abuse.
- Increased scrutiny and complexity of federal contracting rules, in turn increasing responsibility at the local level and requiring the agency to reevaluate rules, increase training and certification of procurement staff, and requiring staff to perform more complex functions.
- Increased interest in the condition of state facilities, requiring improved inventories of buildings, grounds, roads, trails and bridges, along with improved ability to manage these assets. State mandates have also increased the complexity of facilities management.
- The department needs to reduce the number of custom, unsupported applications currently in use. Several of our custom applications use obsolete or hard-to-maintain platforms. A transition to standardized and web-accessible systems will greatly enhance our ability to deploy applications to both employees and members of the public who would like to do business with the department online.
- Employees and state leadership demand a safe working environment in order to reduce the physical, emotional, and financial impacts associated with on-the-job injuries. A comprehensive workplace safety program require the department to have the resources to consistently track and analyze safety-related data and use that to develop, improve and maintain the program.
- The department workforce and customer base continue to become more diversified.
- To attract diverse, skilled applicant pools, job classification and associated pay/benefits continue to need a great deal of attention and effort within both the department and state government.

- Employees, and society as a whole, will continue to expect that employers prioritize employee needs, such as encouraging work/life balance, alongside accomplishment of the department’s mission. Examples include legislation such as Pay Equity, the Americans with Disabilities Act (ADA), Family Medical Leave Act (FMLA); and benefits such as Employee Assistance Program (EAP), remote work, and flex time.
- ODF’s workforce planning is complicated by the need for department-wide support of firefighting work during fire season. Staff not only need to be trained and proficient their diverse program duties, but also in their fire duties. Additionally, staff without fire duties must be trained to backfill behind coworkers on fire assignments.
- There is an ever-increasing demand for information about the work state government does on behalf of Oregonians and the expectation for faster response times. To meet these demands involves constant monitoring of and response to media and public questions, comments, and concerns, which come to the department via social media, email, and phone calls.
- More planning, content development, and dissemination of informational documents and more emphasis on planning and facilitating meetings that allow for engagement between the public and stakeholder groups and the department. The expectation for more information is also manifesting itself in the growing number and complexity of public records requests received by the department. Fulfilling these needs to the best of the program’s abilities is becoming increasingly difficult with current staff levels.

**Proposed New Laws:**

None.

**Partnership and Planning**

The Partnership and Planning Program provides analysis and strategic planning support for department-wide initiatives to the State Forester, the Oregon Board of Forestry, the Executive Team, and ODF operating divisions. The work of the Partnership and Planning Program is partitioned into two units: Planning and Analysis and Federal Initiatives.

**Planning and Analysis Unit**

The Planning and Analysis Unit (PAU) functions as technical and analytical staff to the department and Board of Forestry. It coordinates, supports, and directs issues and subject management with other agencies and jurisdictions, develops analyses, and provides guidance and recommends programs and policies to the Board and department. PAU leads and/or coordinates the analysis of broad forestry, department-wide, or integrated forest resource policy issues and assists in the development of department and/or Board positions on state and national issues. Activities include:

- Providing staff support for Board of Forestry strategic planning, the development of annual plans department-wide, and legislative efforts.

- Acquiring information and performing scientific and policy analyses essential to development and support of sound statewide natural resource policies that sustain and enhance the health of Oregon's forest ecosystems, watersheds, and airsheds. This includes coordinating with public and private partners to assimilate, catalogue, and refine data and tools to ensure integrated, statewide, and landscape-scale capability to assess conditions, trends, opportunities, and barriers.
- Providing leadership during policy work with other state and federal agencies and the private sector on forest sustainability, climate and carbon, land use, forest health, and economic development to support a robust resource sector and retention of resource and working forestland.
- Supporting and promoting Board policies in forestland activities statewide. Upon request, provides direct support to the Governor's Office regarding forest and broader resource management policies.

### **Federal Initiatives Unit**

The Federal Initiatives Unit (FIU) provides strategic leadership to implement forest stewardship across public and private ownership boundaries. FIU administers all USDA state and private grant programs and assists the Federal Forest Restoration Program (FFR), including on Good Neighbor Authority projects, to increase the pace, scale, and quality of restoration on Oregon's federal forestlands. FIU leverages other funds to achieve the agency's mission and specifically to avoid fragmentation of working forestlands, improve habitat for native fish and wildlife, and other goals outlined in the Board of Forestry's overarching *Forestry Program for Oregon*.

FIU coordinates acquisition and administration of federal funds to deliver forest stewardship outcomes on the ground. This support includes the identification of federal grant programs, coordination of grant requirements with federal agencies, developing and documenting grants processes, and providing assistance and other resources to the field offices doing the work on the ground. Private landowners and other partners use these funds to contract management actions such as forest fuel reduction, forest health treatments, stream restoration, and management planning activities.

The activities of the Federal Initiatives Unit include:

- Project identification, grant development and management – Working with ODF field staff to identify opportunities and researching various federal and other funding sources. When opportunities are identified, work includes on-boarding the federal grant and establishing monitoring processes to accurately report accomplishments.
- Development of new funding sources – Building partnerships with potential public and private funding organizations.
- Expanding partnerships – Developing stronger relationships with state and federal implementing agencies, non-governmental organizations, and private sector partners to leverage and align programs of work to increase scale of collective impact.

### Revenue Sources and Proposed Revenue Changes:

Revenue sources for federal grants typically provide funding over a three- to five-year period. The total funding of all active grants administered during a biennium generally amounts to \$38-40 million. The following sources have historically been the core of the department's grant funding:

- Western States Fire Managers & Wildland Urban Interface Community Assistance *USDA, US Forest Service*—These annual, competitive grants support wildfire education and mitigation work including: fuels treatment/reduction projects, defensible space education, human-caused wildfire prevention and awareness, and community fire plan development assistance.
- State Fire Assistance *U.S. Forest Service*—An annual, non-competitive matching grant that provides financial assistance to state wildland fire protection agencies to offset eligible standby and direct wildland fire emergency management costs.
- Natural Resource Conservation Service Technical Assistance—This NRCS program enables ODF field staff to help non-industrial private forest landowners move through NRCS cost share programs.
- Other smaller federal fund opportunities through the U.S. Department of Agriculture including:
  - Forest Stewardship
  - Forest Health Monitoring
  - Forest Health Cooperative Assistance
  - Urban and Community Forests
  - Landscape Scale Restoration
  - Volunteer Fire Assistance

### Important Background for Decision Makers:

- Based on data and analysis from the Oregon Forests, Farms and People report, Oregon has been one of the most successful states in maintaining a contiguous forestland base, critical to maintaining forest health, working lands, and ecosystem services and benefits. However, forest fragmentation through land-use change and development is an emerging issue, particularly in the wildland-urban interface. Issues include:
  - Reduction of federal timber supply
  - Significant reduction in forest product processing facilities
  - Impact of resource protection regulatory requirements (federal and state) on competition in the global market
  - Transition in forest industry away from vertically-integrated companies
  - Intergenerational transfer of non-industrial forests
- Historically, Oregon's public interest in forest issues has largely been focused on water quality, salmon, and other wildlife issues. With the climate and economic changes and recent wildfire seasons, forest health, climate and carbon, thinning of forest stands, and forest sector jobs

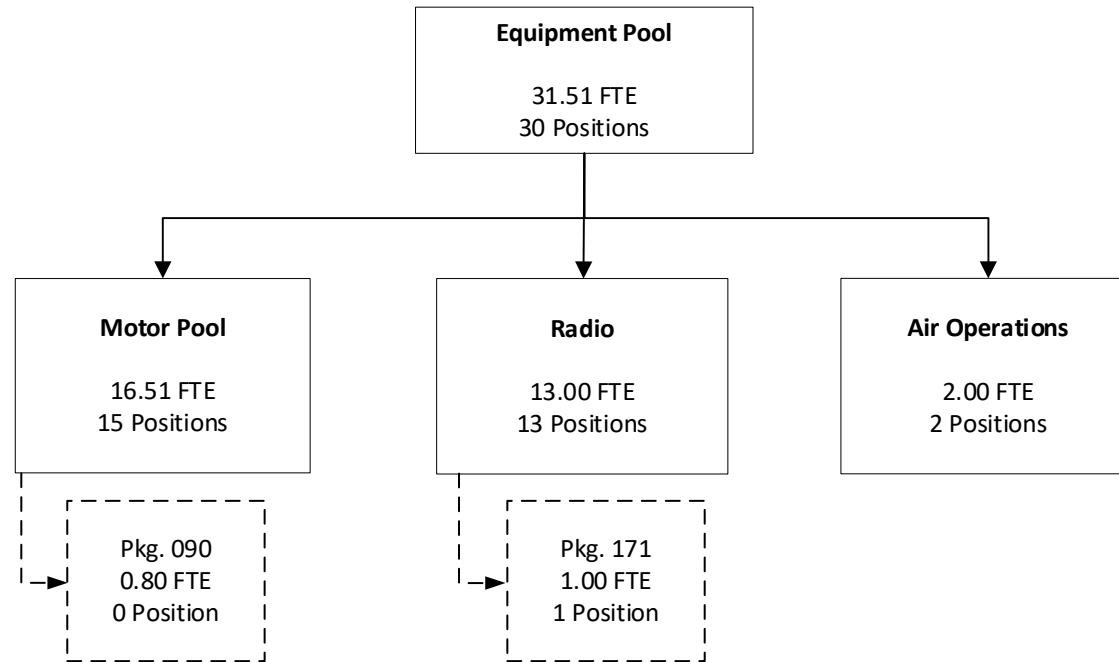


are issues of growing importance for Oregonians. Even with increased forest restoration efforts, natural disturbances such as fire, wind, floods, landslides, and insects and disease will continue to play a significant role in altering the habitat of Oregon's forests.

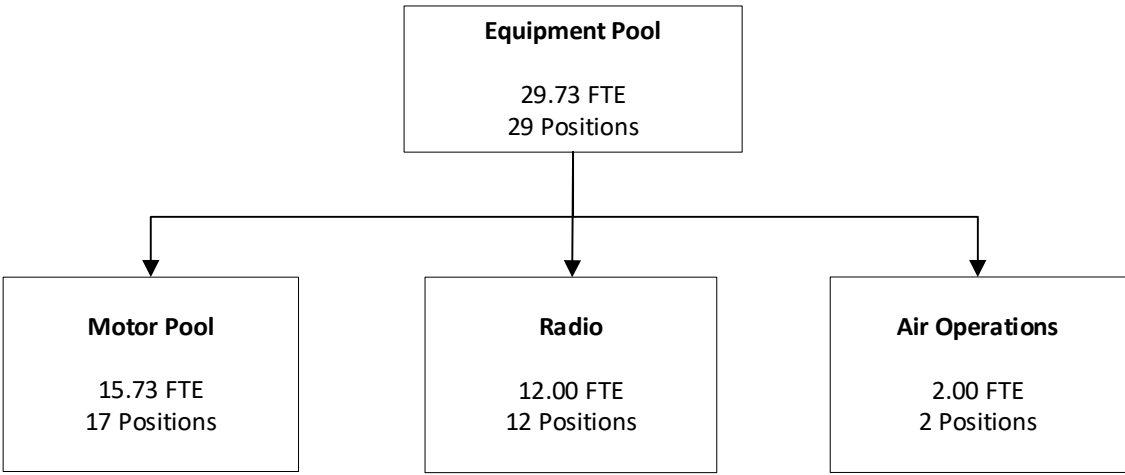
- Technology is changing rapidly and will make landscape-level, multi-resource forest assessments more feasible.

# Equipment Pool Program Narrative

## Organization Charts



Proposed 2021-23 Structure



Current 2019-21 Structure

Executive Summary

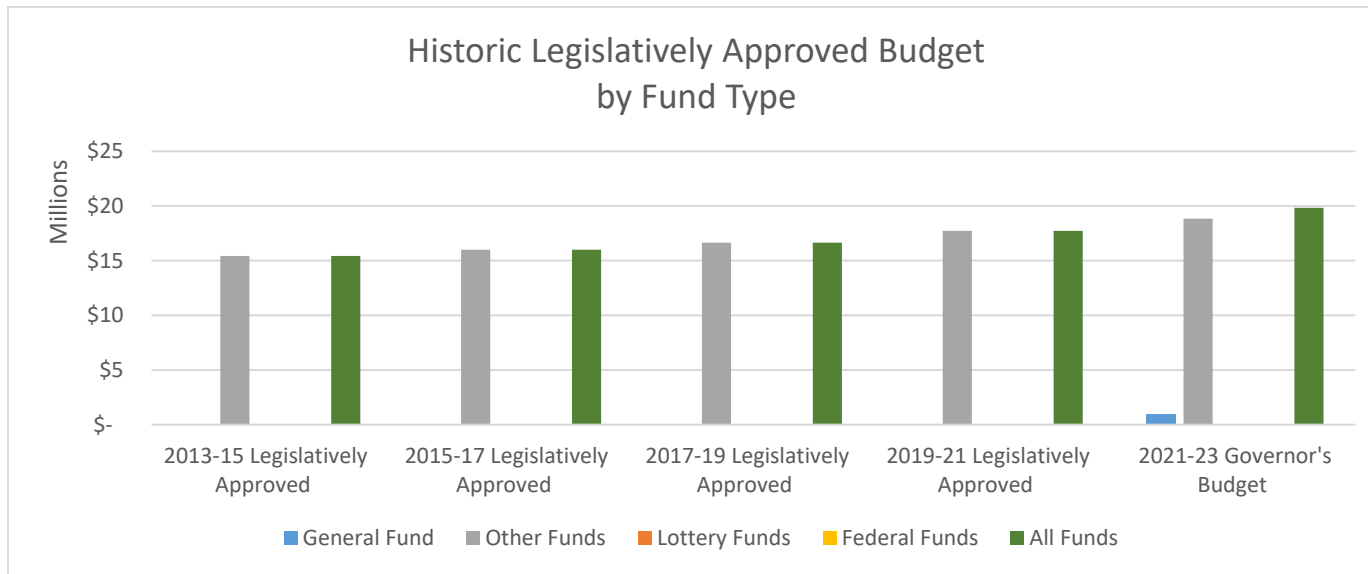
Long-Term Focus Areas:

Primary Focus Area: Responsible Environmental Stewardship

Primary Division Contact:

Eulus I. Newton, Central Motor Pool Manager, 503-945-7312, Eulus.i.newton@oregon.gov

Division Total Funds Budget:



**Division Overview:**

The Equipment Pool Program is accountable for providing leadership and direction regarding core motor pool and communication logistical and financial support services. The services provided are unique and are vital to core business operations statewide.

**Division Funding Request:**

The program requests \$19,838,096 for the 2021-23 biennium, an increase over current service level due to increased inflation costs to procure new fleet equipment and the continued communication migration of digital and information technologies.

**Division Description:**

The Equipment Pool Program provides statewide leadership, direction, and support services in the areas of motor pool and communications logistics to the department's headquarters elements in Salem and districts statewide. In addition, the program supports three forest protective associations and maintains interagency service level agreements with the Oregon Parks and Recreation Department and the Oregon Department of Fish and Wildlife. The program is self-supporting through stakeholder assessments that are managed within internal service funds.

Primary cost drivers that impact the program:

- Equipment replacement costs
- Equipment operations/service costs
- Associated administrative and business services costs
- Parts and services costs

The estimated cost for 2023-25 is \$20,971,911 and for 2025-27 is \$22,179,258.

**Division Justification and Link to Long-Term Outcome:**

The Equipment Pool Program provides effective, dependable and life safety equipment and logistical support services to the Department Operational Programs, Administrative Programs and field operations to assist them in meeting their long term focus area goals, benchmarks and successful measurements.

As Programs of the Administrative Branch, we too provide the foundation for effective implementation of ODF core business functions and are continuously evaluating our processes to improve service delivery. The services provided are all directly linked to the Governor's strategic plan calling for "excellence in state government".

**Division Performance:**

The Equipment Pool Program is dependent upon enterprise asset and business management systems to track equipment assets, utilization, services and financial outcomes. The data sets and information are used to develop and compare a variety of assessment/performance outcomes that are specific to each district field operation. The data is used for providing outcomes, reports, analysis and establishing equipment assessment/rates.

- Fleet utilization metrics (mileage, repairs, services, fuel, and shop resources) are used to measure and develop operation and repair rates.
- Equipment lifecycle standards and annual long-range planning help to forecast replacement outcomes and annual equipment assessments.

**Enabling Legislation/Program Authorization:**

ORS 526.142 through 526.152 grants the department the unique authority to establish and maintain this program.

**Funding Streams Supporting the Division:**

The Equipment Pool Program maintains internal services funds (Other Funds) and is supported through user assessments; however, the program's funding and the ability to maintain, operate, store and replace equipment as required is dependent upon the department's other divisions and programs having the funding available to pay those assessments.

***Program Narrative***

The Equipment Pool Program is comprised of the Motor Pool and the Communication Pool, which are managed within the Administrative Branch.

The Motor Pool is managed under the Equipment Pool Program and the Communications Pool is managed under the Information Technology Program, but share the same general responsibilities that include, but not limited to the following:

- Ensuring compliance with additional federal and state policies.
- Ensure compliance with biennial budgets, legislative actions, federal and state audits, interagency agreements, strategic plans, and leadership direction.
- Ensure effective management of internal service fund and fund accounts within Oregon Accounting Manual and best practices guidance.
- Provide essential statewide support services that meet the needs of users.

**Expenditures:**

The Equipment Pool Programs have individual funds and track program activities utilizing unique program account codes:

- Motor Pool Fund – 3101
- Communications Fund – 3201

**Important Background for Decision Makers:**

- Continued need to replace the antiquated/outdated asset and business management systems.
  - Increase system metrics and outcome measurements of equipment performance, service and lifecycle.
  - Increased system, business procedures and financial quality controls.
  - Increase capability and funding to support electric vehicle policies/requirements.
- Continued need to automate system business enterprise (relationships with other business system platforms).
- Continued need to provide continuous, dependable and cost effective equipment and support services.

**Revenue:**

The primary user assessments include program administration, operations and future equipment replacement. The assessments are allocated to programs and activities that participate in the pool and receive a service from the use of such equipment. The pools may also provide services to external state agency customers through the use of service level agreements.

**Proposed New Laws:**

- Green House Gas - Assume new laws will be implemented that will increase the requirements for electric vehicles, which may impact the procurement of current and future vehicles.
- Federal Communications Commission – Assume new laws will continue to be implemented that will increase the security requirements for communication equipment and manufactures

## Audit Activity



# Oregon

Kate Brown, Governor

## Department of Forestry

State Forester's Office  
2600 State Street  
Salem, OR 97310-1336  
503-945-7200  
FAX 503-945-7212  
[www.oregon.gov/ODF](http://www.oregon.gov/ODF)



"SUSTAINSHIP IN FORESTRY"

**January 25, 2018**

Kip R. Memmott, Director  
Secretary of State, Audits Division  
255 Capitol Street NE, Suite 500  
Salem, OR 97310

**RE: Management Letter Response No. 629-2018-01-01**

Dear Mr. Memmott:

This letter is in response to the FY 2017 Statewide Single Audit for selected financial accounts of the Oregon Department of Forestry (ODF). The findings were transmitted to us in Management Letter No. 629-2018-01-01, dated January 24, 2018. Below are the findings and recommendations identified in this year's audit, plus our response and corrective action plan.

### **Ensure Year-end Financial Reporting Procedures are Followed**

The state's accounting policy requires agencies to report total receivables due with an offset for the amount estimated as uncollectible.

The department evaluated the collection rate for a certain population of receivables to estimate the amount that would not be collected, but when performing the calculation picked up the entire receivables balance instead of just that portion for which the rate applied. This overstated the uncollectible amount, and thereby understated the net amount of the receivables, by about \$29,328,000.

Established agency procedures dictate agency staff review proposed year-end accrual entries prior to posting to the statewide financial statements. Because the calculations were not performed until the last day of the fiscal year, the agency did not have sufficient time to perform the secondary review and the error was not detected.

**We recommend** department management ensure the established procedures for year-end accrual entries are followed such that receivables and related uncollectible allowances are recorded in accordance with generally accepted accounting principles.

### **Management Response:**

**The Department agrees with this recommendation.** The Finance Program will review our year-end procedures and practices for calculating the estimated uncollectible portion of total receivables to ensure steps are included that will help to identify errors. In addition, we will review our internally-established deadlines to ensure adequate time is allowed for secondary review so that any errors can be detected and corrected prior to statewide year-end close deadlines. This review will be completed and necessary updates implemented by June 30, 2018.



Mark Hubbard, ODF Finance Director, will be responsible for ensuring these changes occur.

Regarding this year's audit effort, as with audits in the past, we believe the engagement was productive and the working relationships between the Audits Division staff and our staff are very good. As we've shared in the past, this audit process, and the subsequent results, have been very productive for the Department of Forestry and I believe will serve us well in the years to come.

On behalf of the agency staff who worked directly with your audit team, I would like to thank Ms. Kennedy and Ms. Anderson for the professional approach taken by the team, and the genuine interest that they demonstrated in making this a positive, collaborative process that will truly assist us in making improvements to our business and financial management practices. We recognize that auditing is a valuable tool and your audit team's approach and attitude during this process has been helpful and supportive in creating possibilities for practical improvements for the department.

We look forward to our continued working relationship with the Audits Division. Please contact me at any time if you have questions or need information.

Sincerely,



Peter Daugherty  
State Forester

c: Julianne Kennedy, CPA, Audit Manager  
Sarah Anderson, CPA, Principal Auditor  
Jacqueline Carter, ODF Chief Audit Executive  
Mark Hubbard, ODF Finance Director  
Agency Executive Team  
Oregon Board of Forestry

**Office of the Secretary of State**

Dennis Richardson  
Secretary of State

Leslie Cummings, Ph.D.  
Deputy Secretary of State



**Audits Division**

Kip R. Memmott, MA, CGAP, CRMA  
Director

255 Capitol St. NE, Suite 500  
Salem, OR 97310

(503) 986-2255

January 24, 2018

Peter Daugherty, State Forester  
Oregon Department of Forestry  
2600 State St  
Salem, OR 97301

Dear Mr. Daugherty:

We have completed audit work of selected financial accounts at your department for the year ended June 30, 2017. This audit work was not a comprehensive financial audit of the department, but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements of the State of Oregon as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, we considered the department's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements of the State of Oregon, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified a deficiency in internal control that we consider a significant deficiency.

**Significant Deficiency**

**Ensure Year-end Financial Reporting Procedures are Followed**

The state's accounting policy requires agencies to report total receivables due with an offset for the amount estimated as uncollectible.

The department evaluated the collection rate for a certain population of receivables to estimate the amount that would not be collected, but when performing the calculation picked up the entire receivables balance instead of just that portion for which the rate applied. This overstated the uncollectible amount, and thereby understated the net amount of the receivables, by about \$29,328,000

Established agency procedures dictate agency staff review proposed year-end accrual entries prior to posting to the statewide financial statements. Because the calculations were not performed until the last day of the fiscal year, the agency did not have sufficient time to perform the secondary review and the error was not detected.

**We recommend** department management ensure the established procedures for year-end accrual entries are followed such that receivables and related uncollectible allowances are recorded in accordance with generally accepted accounting principles.

The above significant deficiency, along with your response for the finding, will be included in our Statewide Single Audit Report for the fiscal year ended June 30, 2017. Please prepare a response to the finding and include the following information as part of your corrective action plan:

- 1) Your agreement or disagreement with the finding. If you do not agree with the audit finding or believe corrective action is not required, include in your response an explanation and specific reasons for your position.
- 2) The corrective action planned.
- 3) The anticipated completion date.
- 4) The name(s) of the contact person(s) responsible for corrective action.

Please respond by January 31, 2018.

The purpose of this letter is solely to describe the scope of our testing of internal control and the result of that testing, and not to provide an opinion on the effectiveness of the department's internal control. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control. Accordingly, this letter is not suitable for any other purpose.

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Sarah Anderson or Julianne Kennedy at (503) 986-2255.

Peter Daugherty, State Forester  
Oregon Department of Forestry  
Page 3

Sincerely,

*Office of the Secretary of State, Audits Division*

cc: Nancy Hirsch, Deputy State Forester  
Mark Hubbard, Fiscal Services Director  
Jacqueline Sewart, Internal Auditor  
Katy Coba, Director, Department of Administrative Services

**Office of the Secretary of State**

Bev Clarno  
Secretary of State

A. Richard Vial  
Deputy Secretary of State



**Audits Division**

Kip R. Memmott, MA, CGAP, CRMA  
Director

255 Capitol St. NE, Suite 500  
Salem, OR 97310

503-986-2255

December 27, 2019

Peter Daugherty, State Forester  
Oregon Department of Forestry  
2600 State Street  
Salem, Oregon 97310

Dear Mr. Daugherty:

We have completed audit work of selected financial accounts at your department for the year ended June 30, 2019. This audit work was not a comprehensive financial audit of the department, but was performed as part of our annual audit of the State of Oregon's financial statements. We audited accounts that we determined to be material to the State of Oregon's financial statements.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements of the State of Oregon as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, we considered the department's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements of the State of Oregon, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this letter is solely to describe the scope of our testing of internal control and the result of that testing, and not to provide an opinion on the effectiveness of the department's internal control. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control. Accordingly, this letter is not suitable for any other purpose.

We appreciate your staff's assistance and cooperation during this audit. Should you have any questions, please contact Julianne Kennedy, Audit Manager or Alan Bell, Principal Auditor at (503) 986-2255.

Sincerely,

*Office of the Secretary of State, Audits Division*

cc: Bill Herber, Deputy Director for Administration  
James Short, Assistant Deputy Director for Administration  
Mark Hubbard, Financial Services Manager  
Connie Dominguez, Deputy Financial Services Manager  
Jacqueline Carter, Internal Auditor  
Katy Coba, Director, Department of Administrative Services

Maximum Supervisory Ratio Report



**PROPOSED SUPERVISORY SPAN OF CONTROL REPORT**

In accordance with the requirements of ORS 291.227, (Oregon Department of Forestry) presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

**Supervisory Ratio for the last quarter of 2019-2021 biennium**

The agency actual supervisory ratio as of 6/30/2020 is 1: 7

(Date) (Enter ratio from last Published DAS CHRO Supervisory Ratio)

**The Agency actual supervisory ratio is calculated using the following calculation:**

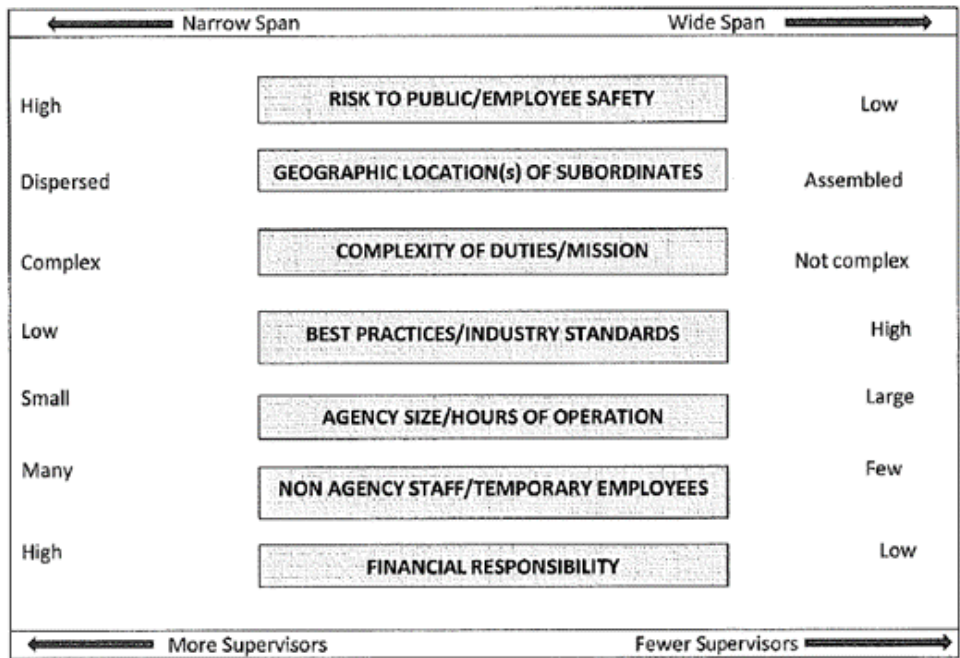
$$\frac{146}{\text{(Total supervisors)}} = \frac{134}{\text{(Employee in a supervisory role)}} + \frac{13}{\text{(Vacancies that if filled would perform a supervisory role)}} - \frac{1}{\text{(Agency head)}}$$

$$\frac{999}{\text{(Total non-supervisors)}} = \frac{753}{\text{(Employee in a non-supervisory role)}} + \frac{246}{\text{(Vacancies that if filled would perform a non-supervisory role)}}$$

The agency has a current actual supervisory ratio of-

$$1:7 = \frac{999}{\text{(Total non - Supervisors)}} / \frac{146}{\text{(Total Supervisors)}}$$

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



**Ratio Adjustment Factors**

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio?  
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

The Oregon Department of Forestry is a fire organization. As a fire organization, the Department's highest priority work is fire emergency response; notwithstanding a variety of related work in fire prevention, education, suppression, investigation, finance, etc.

The National Standard for acceptable span of control for fire organizations is set at a "1 to 5 ratio was necessary; the number of accidents, injuries, and fatalities begin to occur at an alarming rate when the span of control exceeds that ratio in fires and other emergencies."

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

The Department of Forestry is geographically dispersed with offices strategically located throughout the state, with several offices located remotely to best meet the operational needs of the organization, some are up to one hundred miles or more from the next closest Forestry office.

Due to our unique structure, remote locations, large seasonal workforce and critical public safety and resource protection mission, further reduction of supervisory positions would compromise the safety of our employees and the effectiveness of our operations to protect the citizens and property of Oregon.



Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

In regard to the Department's fire mission alone, in addition to the approximately 1146 permanent employees, the Department has approximately 445 seasonal employees responsible for supporting the Department's fire suppression mission. Utilizing 445 positions as five-month seasonal positions saves the state and landowners a significant amount of money as the majority of these employees are not working when fire activity is not anticipated statewide.

In addition to our seasonal workforce, the Department has established multiple agreements with local contract crews, the U.S. Forest Service, the federal Bureau of Land Management, with other states through the use of interstate compacts, and with Canadian provinces to become part of the Department's fire response statewide, as needed. Over the last fifteen years on average approximately 10,874 additional contract personnel were added annually through crew agreements statewide. In addition, the Department has the ability to hire individual highly qualified fire management personnel through interagency resource ordering (IROC). On an annual basis over the last fifteen years, ODF has brought on an average of approximately 110 additional personnel to augment the Department's fire leadership capacity statewide. For safety and span of control reasons, there is a significant supervisory workload associated with adding these additional personnel, including orientation, scheduling, timekeeping, evaluating logistical support, and payment. We believe that any supervisory-to-non-supervisory ratio calculation must also recognize the totality of personnel we bring into our organization every fire season as seasonals and through agreements and contracts.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

As stated above, the National Standard for acceptable span of control for fire organizations is set at "a 1 to 5 ratio was necessary; the number of accidents, injuries, and fatalities begin to occur at an alarming rate when the span of control exceeds that ration in fires and other emergencies."

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?  
Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

**Size:** As previously stated, over the last fifteen years on average approximately 10,874 additional contract personnel were added annually through crew agreements statewide. In addition, the Department has the ability to hire individual highly qualified fire management personnel through IROC.

On an annual basis over several years ODF has had multiple IMT deployments which required the establishment of a "Salem Support Team" in order to support the multiple large fire incidents. Many of those hired were ODF retirees who had specific fire qualifications or in depth fire knowledge. Some were hired as AD's and some were hired as temps. These hires were in addition to ODF's permanent and seasonal personnel. For safety and span of control reasons, there is a significant supervisory workload associated with adding these additional personnel, including orientation, scheduling, timekeeping, evaluating logistical support, and payment. Again, we believe that any supervisory- to non-supervisory ratio calculation must also recognize the totality of personnel we bring into our organization every fire season as seasonals and through agreements and contracts.

**Hours:** Additionally, firefighting is a twenty-four hour, seven days a week commitment for any fire organization. In that regard, also unique for the Department is the need to meet our work rest and rotation policies when employees work a fourteen day standard assignment and/or 21 continuous days during fire emergencies. This requires having an adequate number of supervisors in place to ensure fires are managed while employees are rotated through their rest periods.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

In addition to the approximately 1146 permanent employees, the Department has approximately 445 seasonal employees responsible for supporting the Department's fire suppression mission. Utilizing positions as five-month seasonal positions saves the state and landowners a significant amount of money as the majority of these employees are not working when fire activity is not anticipated statewide:

In addition to our seasonal workforce, the Department has established multiple agreements with local contract crews, the U.S. Forest Service, the federal Bureau of Land Management, with other states through the use of interstate compacts, and with Canadian provinces to become part of the Department's fire response statewide, as needed. Over the last fifteen years on average approximately 10,874 additional contract personnel were added annually through crew agreements statewide. In addition, the Department has the ability to hire individual highly qualified fire management personnel through IROC. On an annual basis over several years ODF has had multiple IMT deployments which required the establishment of a "Salem Support Team" in order to support the multiple large fire incidents. Many of those hired were ODF retirees who had specific fire qualifications or in depth fire knowledge. Some were hired as AD's and some were hired as temps. These hires were in addition to ODF's permanent and seasonal personnel. For safety and span of control reasons, there is a significant supervisory workload associated with adding these additional personnel, including orientation, scheduling, timekeeping, evaluating logistical support, and payment. We believe that any supervisory-to-non-supervisory ratio calculation must also recognize the totality of personnel we bring into our organization every fire season as seasonals and through agreements and contracts.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? Y/N

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-  
N/A

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1: 11.

Unions Requiring Notification SEIU and AEE

Date unions notified 8/12/20

Submitted by: Tricia Kershaw

Date: 8/12/20

Signature Line Tricia Kershaw

Date 8/12/20

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

Signature Line \_\_\_\_\_

Date \_\_\_\_\_

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2019-21 & 2021-23 BIENNIA

Agency: Oregon Department of Forestry  
 Contact Person (Name & Phone #): James Short 503.302.8478

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2019-21 Ending Balance		(g) 2021-23 Ending Balance		(j) Comments
					In LAB	Revised	In CSL	Revised	
Limited	008-00-00-00000 Agency Administration	00579/Agency Administration	Operations/Administrative Prorate of All Non General Fund programs . Operations/Internal Service Fund/Billable cost of goods and services provided by the department under the Agency Administration program.	ORS.526.111, ORS.526.06 Chapter 754, (2),(1), Oregon Law 2007	2,407,523	0	3,644,143	0	Timing of revenue and expenditures of Cooperative work can create a negative or positive ending balance which will net to zero over time. Projections have not changed.
Limited	010-00-00-00000 Fire Protection	00579/Forest Patrol, Slash, Smoke Mgmt, Coop, OFLPP	Operations/Landowners assessment for the cost of providing local fire protection, slash abatement, private landowner burn fees, coop work and Emergency Fire Cost (EFC).	ORS.477.270(2)	6,196,634	0	2,324,436	0	Any balance in this account is used to calculate the landowner rate for the next Fiscal Year (FY), with the intent to have a \$0.00 balance at the end of any given FY. A positive balance lowers the land owner rate for the next FY. This account is also cyclical, at it's highest during winter when taxes are collected and at it's lowest during fire season. Reimbursements from federal sources can take more than a biennia to collect, creating negative ending balances until realized. This Ending Balance also contains portion of the OFLPP for Emergency Fire Cost (EFC).
Limited	020-00-00-00000 Equipment Pool	00579/Motor & Communications Pools	Operations/Special Purpose internal fund dedicated for vehicle & communications equipment replacement and repair.	ORS.526.144, 146	885,956	5,297,248	18,733,584	5,623,194	The revenue for this account is derived by assessing the operating programs. These funds are dedicated to vehicle maintenance & replacement. Replacements have been deferred and vehicle manufacturer have not delivered vehicles for 2019-21.
Limited	030-00-00-00000 State Owned Forests	00579/Forest Development Operating Fund, Common School Lands, and Seed Orchard	Operations/Timber Sales contracts from the Board of Forestry lands; cash balances include pending distributions to counties. Operations/Timber Sales from Common School Lands. All proceeds go to Division of State Lands, and the Department is reimbursed for expenditures incurred to manage the CSL. The sale of seedlings to private, state and other public owners of forest nurseries or forestland.	ORS.530.110, ORS.530.520, ORS.526.470	1,703,774	43,101,203	735,419	37,843,380	This account has steadily declined over the last several biennia in direct response to the economy. Current projections show improvement, but this depends entirely on the economy. Timber sales revenue estimate for May 2020 through June 2021 is \$101.6 Million. The anticipated revenue to be distributed to the county's is \$64.8 million for the same period. This is based on the May 5th 2020 short term cash analysis. The May 5th cash analysis for FY20 is 18% below forecast and FY21 25% below forecast. Given the current situation the Division is performing cash analysis monthly. Optimistic FY21 will continue to improve as quarantine restrictions are reduced, but due to market uncertainties the May 5th numbers presented here are expect to change (up or down) as the year progresses.
Limited	040-00-00-00000 Federal Forest Restoration	00579/Federal Forest Restoration	Operations	ORS.526.274	165,729	0	36,418	0	The majority of the Federal Funds as Other Funds come from the Forest Service through the Good Neighbor Authority agreement. The Good Neighbor Authority (GNA) was authorized in the 2014 Farm Bill. It allows federal and state agencies to work in partnership to implement watershed and forest management activities on federal lands.
Limited	050-00-00-00000 Private Forests	00579/Forest Practices & Coop Forestry	Operations. A privilege tax levied for the purpose of administering the Oregon Forest Practices Act in an amount not to exceed 40 percent of the total expenditures approved by the Legislative assembly. Operations/Pass through grants from other state agencies and private individuals for cooperative work related agreements.	Chapter 852,(10, (3) Oregon Laws 2007 and ORS.321.005 to ORS. 321.185, ORS.526.515 and ORS.469.634	11,394,355	0	7,853,229	527,301	Harvest Tax Revenue is transferred from the Department of Revenue to the Department's account every quarter. The rate is re-computed each biennium and approved by the Legislature. Our current revenue status (3 of 8 quarters in the books) is about \$100K under projection. For the remainder of the biennium, we are projecting about a 20% reduction in volume harvested which equates to about \$1.3M reduction in harvest tax revenue.
Limited	050-00-00-00000 Private Forests	00658/Forest Resources Trust	Trust Fund/Loan Program used for loans to individual private landowners to encourage reforestation; loans are payable within 25 years. Cash Balance represents donations from private companies and individuals for the Carbon Credit offset program.	ORS526.720	25,583	143,300	0	0	All earnings on moneys in the fund shall be retained in the fund. All moneys in the fund are appropriated continuously to the State Forestry Department to carry out the duties, functions and powers of the Forest Resource Trust, including State Forestry Department administrative expenses.
Limited	080-00-00-00000 - Facilities Maintenance and Development - FAMADA	00795/FAMADA Operating Fund	Operations/Purpose of this account is to pay expenses related to construction, operation, maintenance, repair, replacement, equipping, improving, acquiring and disposing of real property and facilities.	ORS.276.285(2)	0	1,410,798	234,208	310,531	
Limited	050-00-00-00000 Private Forests	00805/Urban Forestry	Donations from private individuals	ORS.526.515 and ORS.469.634	0	19,335	0	0	

*APPR / Key Performance Measures*

**Forestry, Department of**

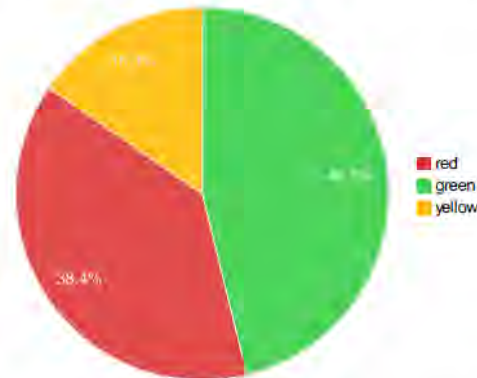
Annual Performance Progress Report

Reporting Year 2020

Published: 8/18/2020 2:09:22 PM

**KPM # Approved Key Performance Measures (KPMs)**

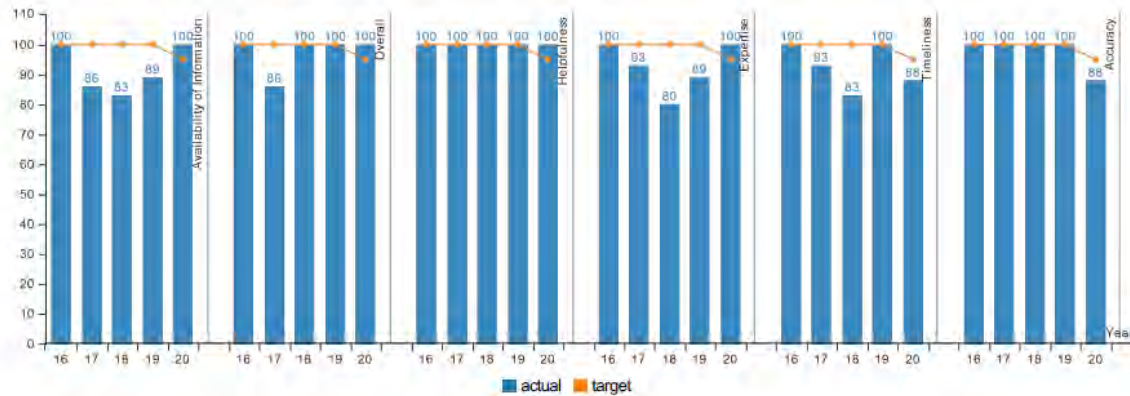
1	CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS - Percent of Oregon's forested counties and forest protective associations rating that ODF programs collectively provide "good" or "excellent" customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.
2	BOARD OF FORESTRY PERFORMANCE - Percent of total best practices met by the Board of Forestry.
3	FOREST PRACTICES ACT COMPLIANCE - Percent of forest operations that are in compliance with the Forest Practices Act
4	URBAN AND COMMUNITY FOREST MANAGEMENT - Percent of Oregon cities actively managing their urban and community forest resources.
5	STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests
6	AIR QUALITY PROTECTION - Total number of smoke intrusions into designated areas per total number of units burned.
7	PERCENTAGE OF PRIVATE FORESTLAND MANAGED AT OR ABOVE FOREST PRACTICES ACT STANDARDS - Percentage of industrial private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans
8	FOREST STREAM WATER QUALITY - Percent of monitored streams/sites associated predominately with forestland with significantly increasing trends in water quality.
9	VOLUNTARY PUBLIC AND PRIVATE INVESTMENTS MADE TO CREATE HEALTHY FORESTS - Cumulative public and private forest landowner investments made in voluntary projects for the Oregon Plan for Salmon and Watersheds or for the Oregon Conservation Strategy.
10	STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.
11	FIRE SUPPRESSION EFFECTIVENESS - Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.
12	PREVENTION OF HUMAN-CAUSED WILDLAND FOREST FIRES - Number of Oregon residents per human-caused wildland forest fires. (population expressed in thousands of residents) This metric measures the ability to maintain or reduce the number of human-caused wildfires as the population of Oregon increases. An upward trend indicates a positive result.
13	DAMAGE TO OREGON FORESTS FROM INSECTS, DISEASES, AND OTHER AGENTS - Percent of forest lands without significant damage mortality as assessed by aerial surveys.



**Performance Summary**

	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	46.15%	15.38%	38.46%

KPM #1 CUSTOMER SERVICE TO COUNTY GOVERNMENTS AND FOREST LANDOWNERS - Percent of Oregon's forested counties and forest protective associations rating that ODF programs collectively provide "good" or "excellent" customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.  
Data Collection Period: Jan 01 - Dec 31



Report Year	2016	2017	2018	2019	2020
<b>Availability of Information</b>					
Actual	100%	86%	83%	89%	100%
Target	100%	100%	100%	100%	95%
<b>Overall</b>					
Actual	100%	86%	100%	100%	100%
Target	100%	100%	100%	100%	95%
<b>Helpfulness</b>					
Actual	100%	100%	100%	100%	100%
Target	100%	100%	100%	100%	95%
<b>Expertise</b>					
Actual	100%	93%	80%	89%	100%
Target	100%	100%	100%	100%	95%
<b>Timeliness</b>					
Actual	100%	93%	83%	100%	88%
Target	100%	100%	100%	100%	95%
<b>Accuracy</b>					
Actual	100%	100%	100%	100%	88%
Target	100%	100%	100%	100%	95%

**How Are We Doing**

The Department of Forestry strives to exceed expectations in service to Oregon's forested counties and forest protective associations. Results from this year's survey indicate we provide excellence in our overall level of service and are continuing to show positive improvements in areas of expertise and availability of information.

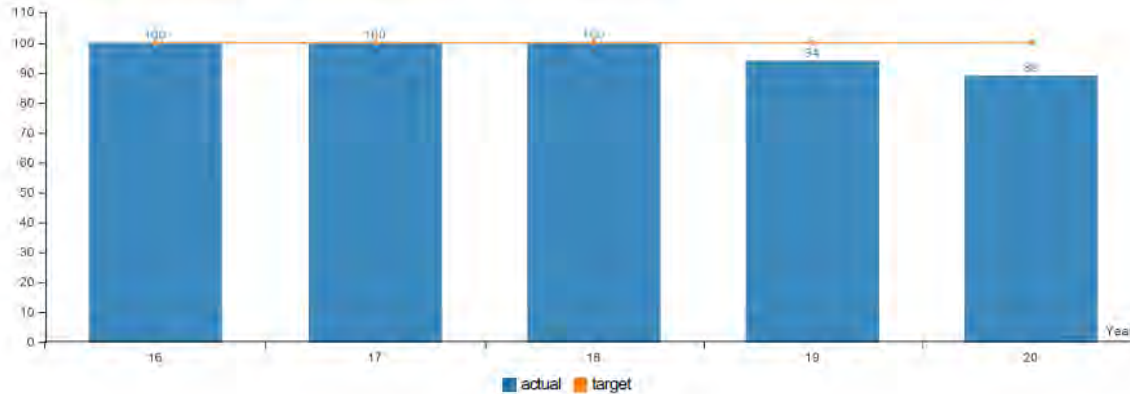
**Factors Affecting Results**

Department of Forestry staff support our mission to serve the people of Oregon and it's directly reflected in our success of this performance measure. Our employees work hard to provide the highest level of customer service, be responsive and timely in our efforts, and ensure clarity and accuracy in those services provided. The positive results of this performance measure directly correlates to the investments made between Department staff and county commissioners, county officials, forest protective associations and forest landowners to build effective working relationships across all jurisdictions and forestry programs. As state government strives to keep pace with an evolving workforce, needed investments in technology, and the capacity to support growth and innovation in business practices, we see these factors further exasperated by budgetary constraints that continue to challenge the Department in areas of financial sustainability, systems maturity, staff expertise and timeliness with response.



KPM #2 BOARD OF FORESTRY PERFORMANCE - Percent of total best practices met by the Board of Forestry.  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Oregon Board of Forestry Governance</b>					
Actual	100%	100%	100%	94%	89%
Target	100%	100%	100%	100%	100%

**How Are We Doing**

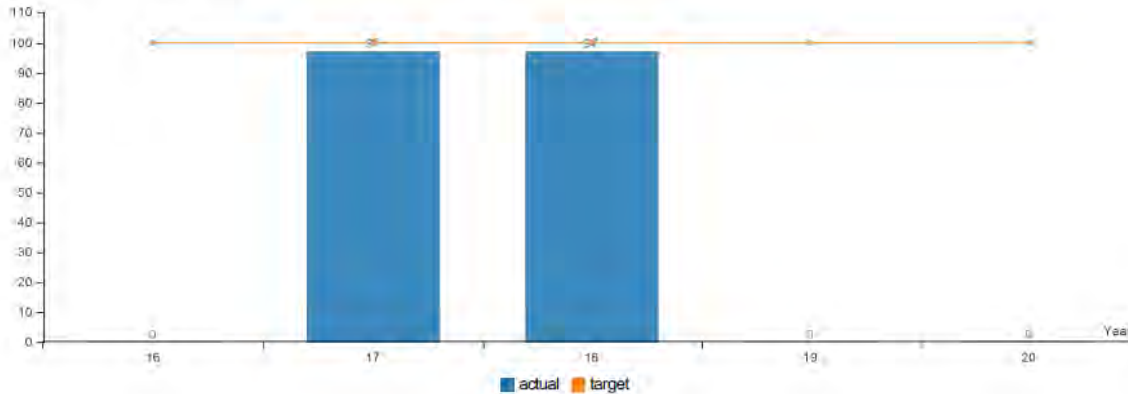
The Board of Forestry concluded the annual board governance performance evaluation with common agreement in meeting 89 percent of the standard best-practices criteria. Disagreement found in several areas limited the Board from reaching their 100 percent target.

**Factors Affecting Results**

Six of the seven Board members completed the evaluation. Areas of concern within the best practices criteria included currency and applicability of the agency's mission and high-level goals as understood in the *Forestry Program for Oregon* and Forest Practices Act rules, review of the agency's key policy-level communications, the Board's involvement in policy-making activities across the state including engagement in Board meetings held at different geographic locations around Oregon, the Board's current financial oversight model, coordination with other public agency or boards where responsibilities and interests overlap, and the Board's engagement in appropriate training sessions including workshops, symposia, and field tours. The complexity of the significant forest policy issues before the Board combined with tensions across highly polarized stakeholder groups continues to challenge Board members as they strive to acquire sufficient time and information to develop a holistic and common understanding of the critical matters before them. Despite the challenges, overall Board members indicated solid improvements in communications, board functioning and group dynamics over the past year, and shared optimism in continued growth, progression forward, and opportunities welcoming new board members in the coming year.

KPM #3 FOREST PRACTICES ACT COMPLIANCE - Percent of forest operations that are in compliance with the Forest Practices Act  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Percent of Operations in Compliance with Oregon's Forest Practices Act</b>					
Actual	No Data	97%	97%	No Data	No Data
Target	100%	100%	100%	100%	100%

**How Are We Doing**

The Oregon Forest Practices Act (FPA) outlines, in Statute and Administrative rule, standards of practice for forest management operations on non-federal and non-tribal lands in Oregon. The Oregon Department of Forestry (ODF Private Forests Division administers the FPA. Program delivery on forestlands statewide is performed by Stewardship Foresters who operate from District Offices. Responsibilities for other Programs (notably Protection from Fire can also be a part of Stewardship Forester responsibilities. The Private Forests Division Monitoring Unit, along with Stewardship Foresters, is tasked with identifying and collecting information on the efficacy and application of the FPA rules at statewide scale. Additionally, ongoing monitoring for effectiveness is specified in three different administrative rule sections in the Forest Practices Act. The resulting ODF effectiveness monitoring cannot be assessed without proper implementation of a standard of practice. "Effective administration of the Oregon Forest Practices Act and forest practice rules is a balance of technical design, education and enforcement" (OAR 6239-670-0015; focused and reliable monitoring data supports effective administration of the FPA, and provides Oregonians with a measure of assurance regarding a resource held dear by many people for many reasons. Results from the compliance audit inform training strategies for ODF as well as industry groups who support the FPA in their work. Numerous training sessions statewide have focused on the rules for which compliance rates were found to be lower.

In 2011, by way of a Budget Note for the Oregon Department of Forestry's biennial budget, the Legislature requested the Department conduct an audit of Forest Practices Act compliance, and use a private contractor in the process. From 2013 through 2018, a private sector consulting firm gathered data on a subset of FPA rules with a focus on protection of water resources during harvesting operations and the construction and maintenance of forest roads. Reports on the results of data collection and analysis for individual years between 2013 & 2018 were published by ODF. The reported results reflect data collected in the previous year. No field data was collected in 2015; consequently, there was no reported compliance rate for 2016.

**Factors Affecting Results**

In 2018 and again in 2019, ODF did not collect data from harvest sites. ODF's monitoring resources have been focused on other high priority projects over the past year and working to identify potential solutions to sampling protocol concerns from the 2013-2018 study that have been identified. However, effort is focused on initiating a new compliance audit with a pilot study regarding the reforestation of lands where timber harvests have reduced stocking of trees.

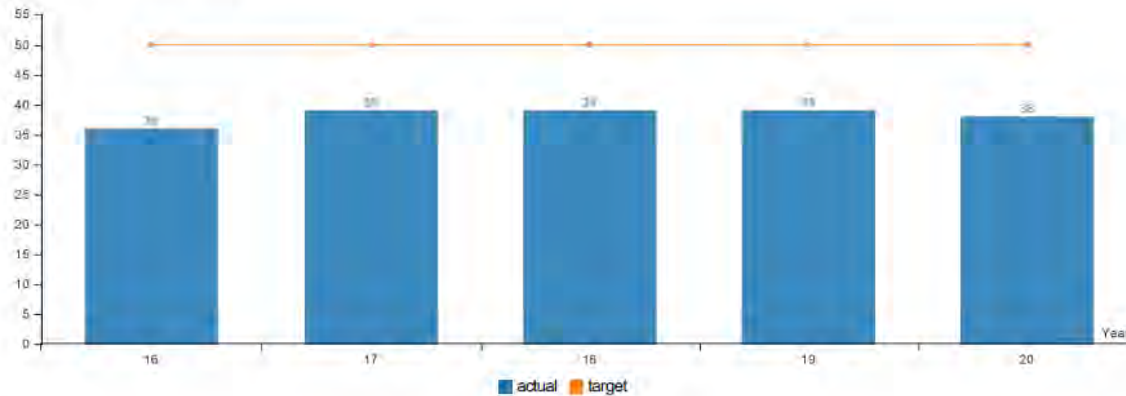
Forestlands subject to the FPA are managed according to a broad range of strategies by a variety of different types of landowners. Many landowners are very engaged in the management of their forests. Some land managers enroll the lands in certification systems that demonstrate responsible stewardship of the land and agree to standards for the same. Some of the groups that certify management of timberlands in Oregon and core level professionalism among the workforce include:

- The Sustainable Forestry Initiative
- The American Tree Farm System
- Forest Stewardship Council
- Oregon Professional Loggers

Enrollees agree to meet and/or exceed state standards for environmental protection, stewardship of cultural resources other significant features, worker well-being, community engagement and more.

KPM #4 URBAN AND COMMUNITY FOREST MANAGEMENT - Percent of Oregon cities actively managing their urban and community forest resources.  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Percent of Oregon cities actively managing their urban and community forest resources</b>					
Actual	36%	39%	39%	39%	38%
Target	50%	50%	50%	50%	50%

**How Are We Doing**

The ODF Urban and Community Forestry Assistance Program has spent the last two years “ground truthing” the urban forestry components we track for Federal reporting purposes. Our goal is to update the information we have on 20 percent of Oregon cities each year over five years. The components we track are whether cities have (1) trained UF staff, such as an ISA-certified arborist on staff; (2) a tree ordinance; (3) a tree board or advisory committee; and (4) an inventory-based urban forest management plan. KPM #4 tracks how many Oregon cities have at least two of these four attributes. Since these data have not been updated consistently over the years, we are expecting to find changes in cities throughout the state. Based on our most recent federally-reported data, we see the percentage of cities with two UF components -- indicating that they are actively managing their urban forests -- has dropped slightly to 38 percent (from 93 to 92 cities).

Despite this 1 percent drop, we were pleased to see the state gained two new Tree City USAs by the end of 2019, Silverton and Florence, taking the total to 67. (One other city did not recertify in 2019). The ODF UCF Assistance Program also co-hosted a successful annual Urban Forestry conference in June, initiated “office hours” via Zoom, participated in ad hoc committees affecting national UCF data collection, and visited several cities onsite. We strive to optimize outreach of our two staff.

**Factors Affecting Results**

The Department receives no state funds for its UCF Assistance Program and thus relies solely on federal funds to achieve our mission and this KPM. Based on the availability and uses of federal sources, the Department has a very limited staff to serve the entire state (1.75 FTE). A statewide survey conducted in 2014 clearly shows that if cities receive assistance from the Department of Forestry, they were more likely to have components of an actively managed urban forest program. The ODF-UCF Assistance program plans to conduct another statewide city urban forestry survey once the 2020 Census data are available.

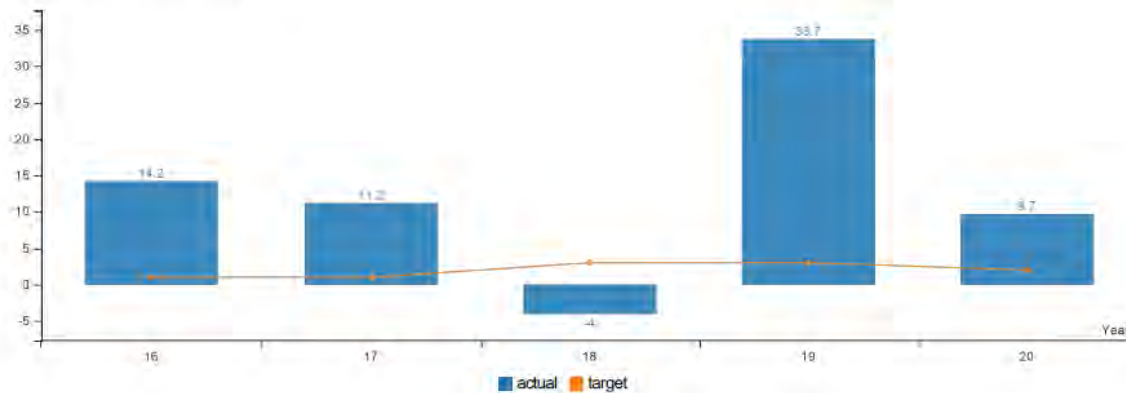
The Program has also faced its share of challenges over the past year. 2019 has also been a year with limited cash-flow throughout ODF, resulting in some restrictions on Urban Forestry staff travel. One-on-one visits with cities, although time-intensive, is one of the key ways UCF staff engage non-participatory cities with urban forestry efforts, and the easiest way for UCF staff to determine the federal reporting components we look for in each city.

A couple years ago, UCF staff noticed that many cities have new, young municipal employees who are not familiar with urban forestry management concepts or the mission of the program. Also, throughout Oregon very few urban forestry professionals are people of color, or representative of underserved groups. These areas need more focused attention than UCF program staff is currently able to provide, especially when travel is limited. Current program resources do not allow UCF staff to train the next generation of urban foresters to the extent that they might need, but we will continue to work with our nonprofit partner and advisor, Oregon Community Trees, to address these shortfalls.

On the positive side, UCF staff continues to make better use of technology to help communities build their urban forestry programs -- such as using video conferencing and holding webinars to extend our technical outreach. In 2020 and 2021, the UCF Assistance Program will be deploying tree inventory software for cities to use, which we expect will spur engagement. In Oregon, urban and community forestry professionals continue to expand their interest in using urban-grown lumber, grapple with fire-preparedness in cities and suburbs, improve the use of trees in storm-water mitigation, and increase the awareness of the role trees play in urban resident health. The UCF Assistance program is a recognized hub that provides, guides, and manages information on these UCF trends in Oregon.

KPM #5 STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests  
 Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Percent Increase in revenue produced by State Forests compared to the previous year</b>					
Actual	14.20%	11.20%	-4%	33.70%	9.70%
Target	1%	1%	3%	3%	2%

**How Are We Doing**

The FY 2019 data show a 9.7 percent increase in total revenues from the previous year, up to \$142,628,827. The amount of revenue distributed to counties increased 7.4 percent from the previous year, \$80,891,196 to \$86,909,447. This KPM focuses on the percent change in total revenue produced from the sale of timber from State Forests. The Oregon Department of Forestry is committed to sustainable management of these lands. Harvest levels that contribute to the revenue flow for this measure are set annually by the Division at the direction of the State Forester.

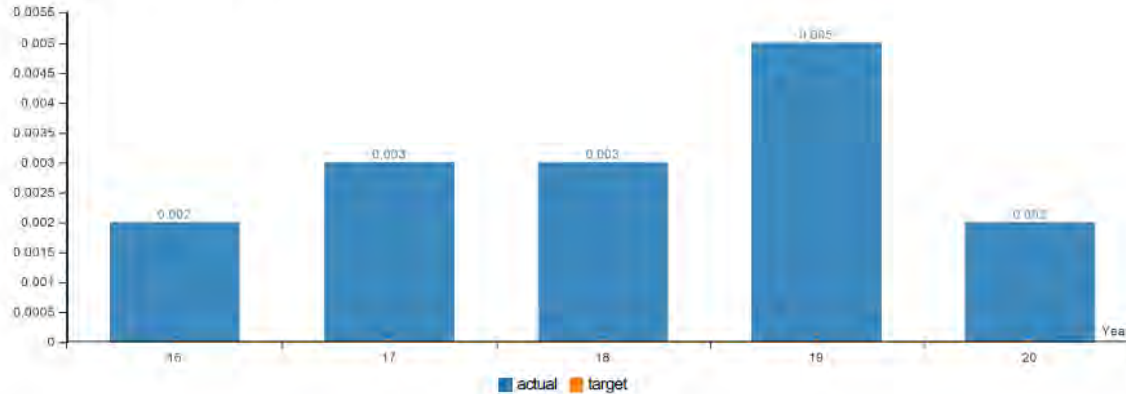
The KPM targets establish an objective for management activities to predictably generate revenue for the State. The Division is implementing business improvements to increase revenue while continuing to provide a balanced range of social and environmental values.

**Factors Affecting Results**

The major factors affecting FY 2019 increase in timber sale revenue were the high prices of timber sales sold in FY 2018. ODF receives timber sale revenue when sold sales are harvested. FY 2019 harvests were 5.7% less than FY 2018.

KPM #6 AIR QUALITY PROTECTION - Total number of smoke intrusions into designated areas per total number of units burned.  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = negative result



Report Year	2016	2017	2018	2019	2020
<b>Total number of smoke intrusions into designated areas per total number of units burned</b>					
Actual	0.002	0.003	0.003	0.005	0.002
Target	0	0	0	0	0

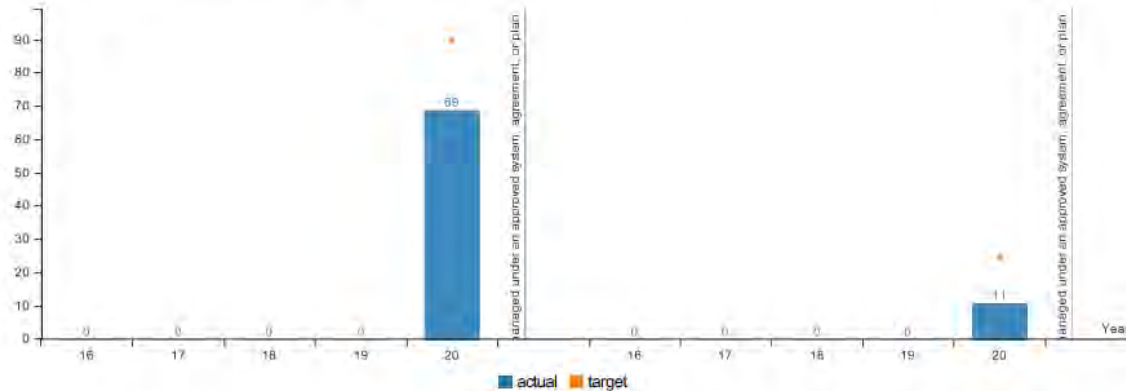
**How Are We Doing**

The Smoke Management Program is doing a good job of protecting Oregon's air quality while, at the same time, allowing forest landowners to dispose of unwanted accumulations of forest fuel. The inclusion of the entire state into the measurement target beginning in 2008 precludes any comparison with previous year's data. 6 intrusions occurred from 3,312 units burned. The intrusion definition changed in 2019 to allow for some smoke to enter Smoke Sensitive Receptor Areas at a level that remained below 75 percent of the National Ambient Air Quality Standards. This change will allow for the increase in prescribed burning to eventually reduce the size and damage created by catastrophic wildfire.

**Factors Affecting Results**

In addition to restoration burning, weather variations and economic market conditions can also influence the outcome, by substantially increasing or decreasing the number of units available for burning.

**KPM #7 PERCENTAGE OF PRIVATE FORESTLAND MANAGED AT OR ABOVE FOREST PRACTICES ACT STANDARDS.** - Percentage of industrial private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans  
 Data Collection Period: Jul 01 - Jun 30



Report Year	2016	2017	2018	2019	2020
<b>a. Percentage of total industrial private forestlands managed under an approved system, agreement, or plan</b>					
Actual	No Data	No Data	No Data	No Data	69%
Target	TBD	TBD	TBD	TBD	90%
<b>b. Percentage of non-industrial private forestlands managed under an approved system, agreement, or plan</b>					
Actual	No Data	No Data	No Data	No Data	11%
Target	TBD	TBD	TBD	TBD	25%

**How Are We Doing**

Key Performance Measure #7 was modified during the 2019 Legislative Session to report as a percentage of forestland compared to previously reporting on acreage. With previously set legislative targets reporting by acres, prior year acreage data has been omitted from this report table. Results for the 2019 reporting year are reflected in the following narrative. The legislatively approved target for this measure in 2020 is 90 percent of industrial private forestlands and 25 percent of non-industrial private forestlands managed under an approved system, agreement, or plan.

a. Three certification systems operate in Oregon. The American Tree Farm System (ATFS) provides certification endorsed by the Program for the Endorsement of Forest Certification schemes (PEFC). The PEFC is an international, independent, non-profit, non-governmental organization, founded in 1999, which promotes sustainably managed forests through independent third-party certification. Forest Stewardship Council (FSC) U.S. provides certification verified by Accreditation Services International, an independent accreditation body offering international, third-party accreditation for voluntary certification schemes. The Sustainable Forestry Initiative (SFI) provides certification endorsed by the PEFC.

The Department of Forestry (ODF) approves and monitors management plans, under the USDA-Forest Service's State and Private Forestry Program, and enters into Stewardship Agreements (ORS 541.423) with forestland owners, who agree to manage beyond FPA standards.



ODF requested information on acres of industrial private forestland certified or approved under each system, and 69 percent (4.5 of the 6.6 million acres) of industrial private forestlands are managed under an approved certification system or stewardship agreement, as summarized below.

• Sustainable Forestry Initiative, Inc.	3,815,743 acres
• American Tree Farm System	485,670 acres
• Forest Stewardship Council U.S.	158,270 acres
• ODF Stewardship Agreements	29,395 acres
• <b>Total</b>	<b>4,489,078 acres</b>

b. ODF requested information on acres of non-industrial private forestland certified or approved under each system and 11 percent (0.4 of the 3.6 million acres) of non-industrial private forestlands are managed under an approved certification system, stewardship agreement, or forest management plan, as summarized below.

• ODF; USDA-FS Forest Stewardship Plan	135,578 acres
• ODF Stewardship Agreements	3,484 acres
• American Tree Farm System <sup>1</sup>	240,182 acres
• Forest Stewardship Council U.S.	31,275 acres
• <b>Total</b>	<b>410,519 acres</b>

[1] The reduction in ATFS reported acres in 2019 results are a function of several non-member properties that have recently been officially decertified.

#### **Factors Affecting Results**

a. Along with forestry-related agencies and organizations, the market place encourages forest certification. Forestland owners wanting to sell timber increasingly find that milling facilities are requiring their log supply come from certified forests. This market access requirement is motivating landowners to obtain certification from recognized third-party systems. Industrial forestland owners generally have the capacity to develop procedures to maintain certification.

Domestically and internationally, voluntary forest certification systems are used as a mechanism to recognize forest products originating from lands meeting specific management and harvesting requirements. Certification involves observation of management and harvesting requirements and is validated through third-party review. Costs are incurred by landowners to certify lands. In turn, certified forest products are able to access certain markets, which are otherwise closed and/or differentiated from uncertified competing goods. Regardless of certification status, all of Oregon's private and state forestlands are subject to the requirements of the Oregon Forest Practices Act and comprehensive land use plans and as such, are held to standards that in many respects are similar to those of certification systems.

In 2018, Oregon achieved certification with the American Society for Testing and Materials (ASTM) standard on forest certification systems D7612-10 for wood grown and harvested under the Oregon Forest Practices Act and compliance of subject wood to the 2012 and 2015 International Code Council (ICC) International Green Construction Code (IgCC). The recognition from ASTM will provide opportunities for private and state forestlands to access additional markets for their forest products.

In 2019, the KPM was modified to reflect the percentage of industrial and non-industrial acres whose land is under an approved certification or management system. The percentage is based upon the total acres of forestland in either the industrial or non-industrial classification. This revised reporting measure may improve understanding of the overall importance of this measure.

b. Along with forestry-related agencies and organizations, the market place encourages forest certification. Forestland owners wanting to sell timber increasingly find that milling facilities are requiring their log supply come from certified forests. This market access requirement is motivating landowners to develop management plans, since forest certification systems require forest management planning.

Non-industrial forestland owners often need assistance in developing inventory data and management documentation needed for certification. The cost of certification may represent a barrier for smaller ownerships. Approximately 81 thousand owners hold forestland between 1 and 9 acres in size, accounting for 369,000 acres of forests. Another 55 thousand owners have forestland holdings between 10 and 49 acres in size, accounting for 1,066,000 acres of family forests. The large number of owners with smallholdings creates a significant challenge to achieving certification on all non-industrial forestlands.

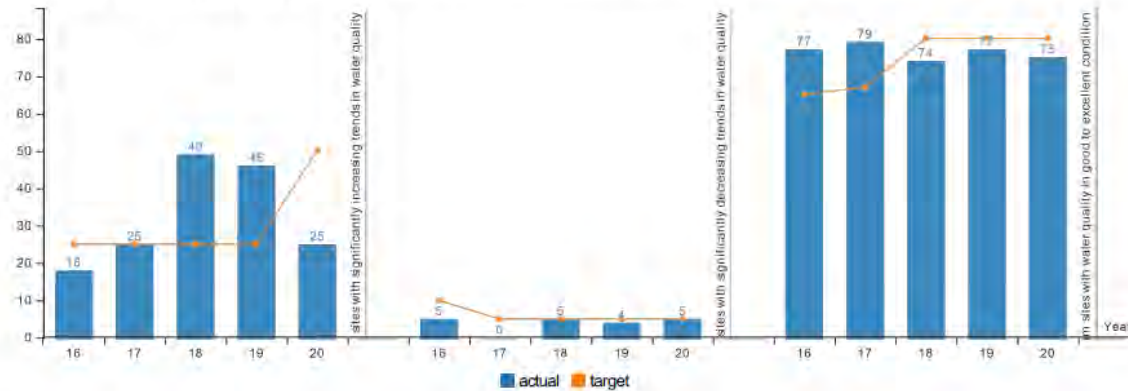
To increase certification on non-industrial forestlands, ODF needs to provide additional technical and financial assistance to landowners for development of management plans and procedures. ODF does not receive any state support for this effort, and relies solely on federal funding to conduct this work. ODF works with multiple organizations to promote the development of forest management plans and the mutual recognition of approved plans.

In 2019, the KPM was modified to reflect the percentage of industrial and non-industrial acres whose land is under an approved certification or management system. The percentage is based upon the total acres of forestland in either the industrial or non-industrial classification. This revised reporting measure may improve understanding of the overall importance of this measure.

NOTE: Collection dates varied for KPM 7 as follows:

- SFI and America Tree Farm data collected - July 1, 2019-June 30, 2020
- FSC data collected - July 1, 2019-May 13, 2020
- ODF; USDA-FS Forest Stewardship Plan data collected - July 1, 2019-June 30, 2020

**KPM #8 FOREST STREAM WATER QUALITY - Percent of monitored stream sites associated predominately with forestland with significantly increasing trends in water quality.**  
 Data Collection Period: Oct 01 - Sep 30



Report Year	2016	2017	2018	2019	2020
<b>a. Percent of monitored forested stream sites with significantly increasing trends in water quality</b>					
Actual	18%	25%	49%	46%	25%
Target	25%	25%	25%	25%	50%
<b>b. Percent of monitored forested stream sites with significantly decreasing trends in water quality</b>					
Actual	5%	0%	5%	4%	5%
Target	10%	5%	5%	5%	5%
<b>c. Percent of monitored forested stream sites with water quality in good to excellent condition</b>					
Actual	77%	79%	74%	77%	75%
Target	65%	67%	80%	80%	80%

**How Are We Doing**

a. In 2019, 25 percent of monitored forest stream sites showed increasing trends in water quality. While the percent of forested streams with increasing trends in water quality has risen over the past five years, the target was not attained this year. However, most forested stream sites continue to remain in good or excellent condition. No increasing or decreasing trend was observed on about 65 percent of monitored forest stream sites.

The performance is based on the Oregon Water Quality Index (OWQI). The OWQI describes general stream water quality status and trends. The OWQI also shows the general effectiveness of water quality management activities. No industry standards exist. However, 2019 data for agricultural lands in Oregon indicate 5 percent of monitored agricultural stream sites with increasing trends in water quality. Statewide data for 2019 for all land uses, including agricultural and forest lands indicate 15 percent of monitored stream sites with increasing trends in water quality.

b. In 2019, three monitored sample points (5 percent) showed significantly decreasing trends in water quality. Compared to last year, when two monitored sampled points (4 percent) indicated significantly decreasing trends in water quality, this represents a slight decrease in overall water quality. However, the target continues to be met and has been met for the past five years. It is important to note that about half of the ambient sites statewide, and most forest sites continue to have "good" or "excellent" water quality and that has remained consistent over the last ten years. No increasing or decreasing trend was observed on about 65 percent of monitored forest stream sites.

The performance is based on the Oregon Water Quality Index (OWQI). The OWQI describes general stream water quality status and trends. The OWQI also shows the general effectiveness of water quality management activities. No industry standards exist. However, 2019 data for mixed land use in Oregon indicate four monitored stream sites with decreasing trends in water quality. Statewide, data for 2019 for all land uses, including agricultural and forest lands indicate 25 monitored stream sites (16 percent) with decreasing trends in water quality.

c. In 2019, 75 percent of monitored forest stream sites showed "good" to "excellent" water quality, which is just below the target of 80 percent. Except for 2018 & 2019, monitored sites on forestland have met or exceeded the target every year since 2009 when this measure was established. About half of the ambient sites statewide continue to have "good" to "excellent" water quality and that has remained consistent over the last ten years.

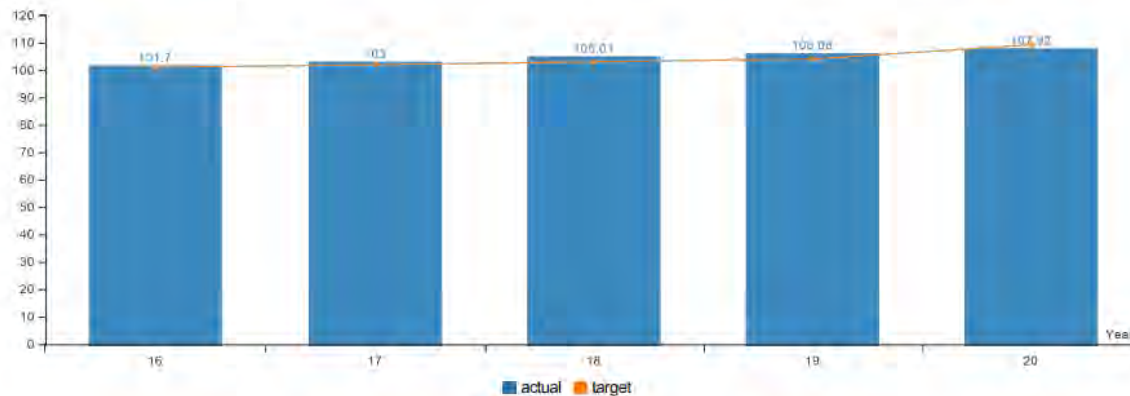
The performance is based on the Oregon Water Quality Index (OWQI). The OWQI describes general stream water quality status and trends. The OWQI also shows the general effectiveness of water quality management activities. No industry standards exist. However, 2019 data for agricultural lands in Oregon indicate about 31 percent of monitored agricultural stream sites with water quality in good to excellent condition. Statewide data for 2018 for all land uses, including agricultural and forest lands indicate about 65 percent of monitored stream sites with water quality in good to excellent condition. These comparisons demonstrate that maintaining forestlands in forest use is an effective and efficient way to maintain water quality.

**Factors Affecting Results**

Statewide targets were revised in 2019. Where sites show significant improvement not affected by point source discharges, such improvements may be attributed to reduced levels of non-point source activity, increased education about water quality impacts, and watershed restoration efforts. Underlying all of these factors is stream flow. As Oregon transitions between drought and wet years, changes in stream flows and, indirectly, water quality are typically observed. A variety of activities occurring on forestlands, including forest management (timber harvesting and road construction and use), fire suppression, recreation, and livestock grazing, can affect soil and water resources. Disturbances that trigger large erosion events can produce important changes in aquatic conditions. These episodic changes are critical in maintaining aquatic habitat over time, even though they may temporarily decrease water quality.

**KPM #9 VOLUNTARY PUBLIC AND PRIVATE INVESTMENTS MADE TO CREATE HEALTHY FORESTS - Cumulative public and private forest landowner investments made in voluntary projects for the Oregon Plan for Salmon and Watersheds or for the Oregon Conservation Strategy.**  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Private forestland owner investment in Oregon Plan habitat restoration projects - \$ in millions</b>					
Actual	\$101.70	\$103.00	\$105.01	\$106.08	\$107.92
Target	\$101.00	\$102.00	\$103.03	\$104.06	\$109.25

**How Are We Doing**

Private forestland owners have made significant investments in improving water quality and fish habitat. Reported cumulative investments for 2019 were \$106 million compared to a target of \$109 million. The 2019 accomplishment level represents the first year out of six, that cumulative private investments in Oregon Plan for Salmon and Watersheds (Oregon Plan) did not meet the target. In 2019, private forestland owners invested \$1.35 million which continues to show the high level of contribution private forestland owners provide to improve water quality and fish habitat through voluntary restoration measures. The Department had expected the rate of expenditures to decline over time as more projects were completed and opportunities for restoration decreased. The great recession caused a steep drop in investment, corresponding with the decline in timber harvest. However, during 2012-2019, restoration activities showed a slight increase and are approximately \$1.6 million average investment per year. At this time, data is not available for investments under the Conservation Strategy.

Private forestland owners are the major contributor to the Oregon Plan accomplishments, providing over 70 percent of reported private land accomplishments. Oregon is unique among western states in its focus on voluntary measures; voluntary measures work in concert with regulatory approaches to achieve additional habitat protection and restoration.

**Factors Affecting Results**

The Oregon Plan has been successful because of the strong forestland owner community who work with watershed councils and the Department to achieve restoration and protection goals for natural resources. There continues to be broad support for voluntary measures coupled with regulatory mandates. ODF Stewardship Foresters provide education and technical assistance to landowners in support of restoration activities. The previous economic downturn significantly affected the housing market and corresponding demand for wood products. Timber harvests, the primary forest operation during which restoration activities occur, dropped by one billion board feet from 2007 to 2009. In addition, 2009-11 department budget reductions eliminated Oregon Plan

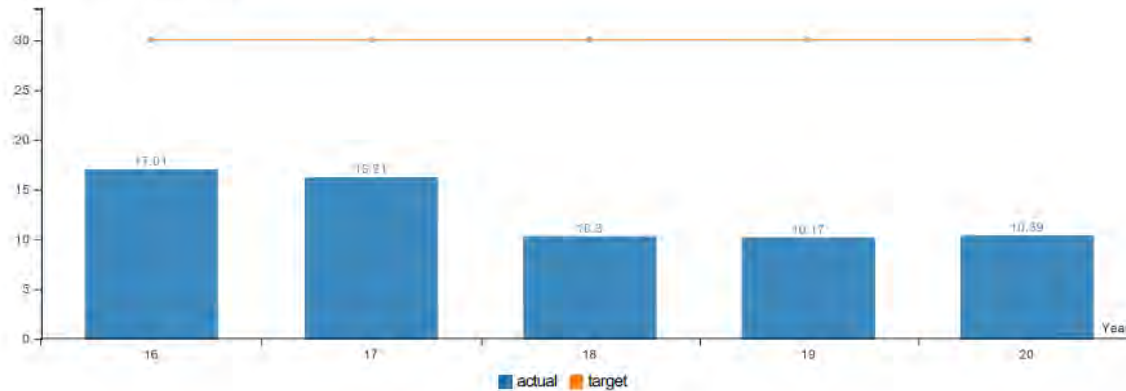
funding and about 40 percent of stewardship foresters (from 60 to 30 field foresters) who encourage and provide technical assistance for these types of projects including encouraging reporting. After building back some capacity for this work, the department took a 40 percent reduction for the 2017-19 biennium for Oregon Plan funding. Oregon Plan funding supports coordination with watershed councils and other groups that encourage restoration.

Voluntary restoration activities by landowners, combined with continued regulatory compliance, provide a foundation for the success of the Oregon Plan in protecting and restoring water quality and fish habitat on forestland. The Oregon Conservation Strategy provides an analogous voluntary framework for restoration of all habitat types. The Conservation Strategy emphasizes proactively conserving declining species and habitats to reduce the possibility of future federal or state listings. The strategy presents issues and opportunities, and recommends voluntary actions that will improve the efficiency and effectiveness of conservation in Oregon. The Department revised its stewardship agreement program to improve efficacy at encouraging forestland owners to self-regulate to meet and exceed applicable regulatory requirements and achieve conservation, restoration and improvement of fish and wildlife habitat and water quality. The Department continues to implement a programmatic Safe Harbor Agreement for Northern Spotted Owls to provide regulatory certainty and encourage voluntary enhancement of owl habitat for landowners who choose to participate. In 2019, the stewardship agreement tool had increased interest and resulted in nearly 32,000 acres enrolled because of a new agreement with one large landowner in Northwest Oregon who focused on aquatic and terrestrial conservation strategies for listed species.

In 2016, the Department completed a project, along with the Oregon Watershed Enhancement Board and the Oregon Forest Resources Institute, to evaluate and better understand what has been accomplished by private forestland owners under the Oregon Plan and identify any potential barriers to implementing and reporting voluntary restoration activities. This work included a survey of forestland owners in the coast range to identify any perceived or real barriers to implementing and reporting voluntary measures. The final report was received in July 2016 and the results were presented to the Oregon Board of Forestry and the Oregon Watershed Enhancement Board. ODF, agency partners, and private landowners are currently evaluating next steps.

KPM #10 STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.  
 Data Collection Period: Jul 01 - Jun 30

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Complex structure as a percent of the State Forests landscape</b>					
Actual	17.01%	16.21%	10.30%	10.17%	10.39%
Target	30%	30%	30%	30%	30%

**How Are We Doing**

The FY 2019 data show that 16.1% of Astoria district, 9.0% of Forest Grove district, and 8.0% of Tillamook district are in complex forest structure.

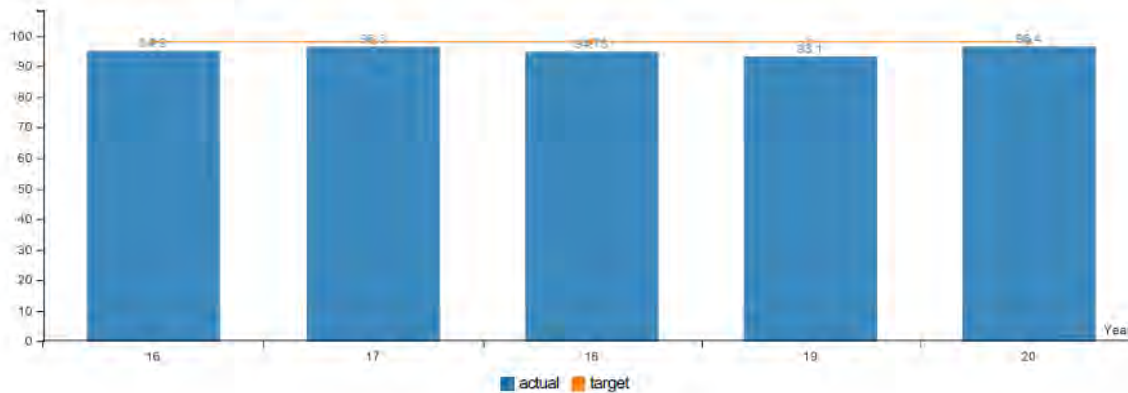
**Factors Affecting Results**

Complex forest structure develops very slowly and it is anticipated to take decades to achieve the range of 30 to 50% complex structure now described in the forest management plans. ODF's Stand Level Inventory (SLI) system is not designed to report on year-to-year difference but rather indicate longer term trends.

The year-to-year changes in complex structure are the result of updates to SLI data as well as active management designed to enhance the development of complex forest structure over time. Following an external expert review, ODF adopted a new growth model in 2018 to improve consistency of inventory estimates. The new growth model provides improved estimates of stand growth and development; however, further refinements are needed to accurately estimate complex forest structure. As a result the estimates may change as the refinements are implemented and new information becomes available.

KPM #11 FIRE SUPPRESSION EFFECTIVENESS - Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Percent of wildland forest fires controlled at 10 acres or less</b>					
Actual	94.90%	96.30%	94.73%	93.10%	96.40%
Target	98%	98%	98%	98%	98%

**How Are We Doing**

The Department was not able to meet the target of suppressing 98 percent of all wildfires at ten acres or less in size for the 2019 fire season. We were 1.6% under target at 96.4%, although there was an improvement from the prior year.

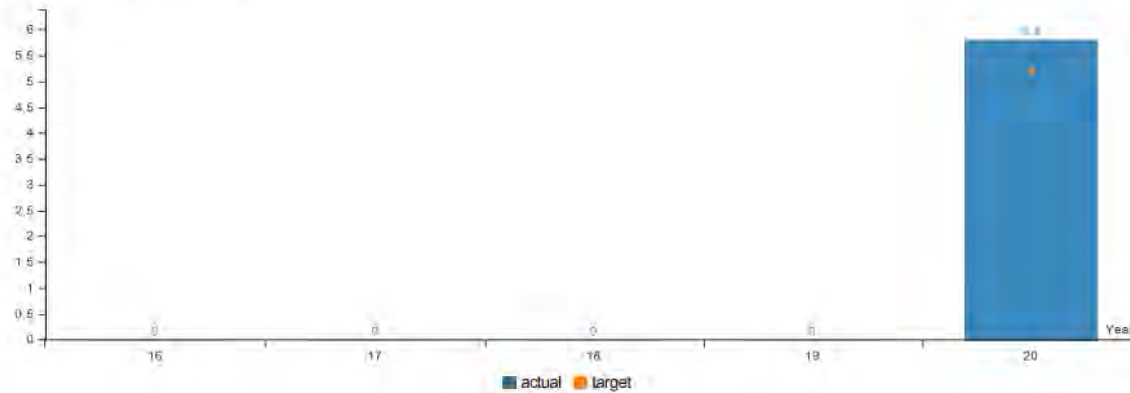
**Factors Affecting Results**

Influencing factors: 2019 was not as severe a fire season as predicted by National Significant Fire Potential models. Thunderstorms with dry lightning and multiple simultaneous fire starts contribute to a severe fire season; in 2019, most of the thunderstorms that moved through Oregon were accompanied by precipitation. This precipitation reduced the potential for an overwhelming number of fire starts and mitigated fire spread. Conditions that contribute to large fire growth such as drought seen in previous years were alleviated from this early summer precipitation. Comparing 2019 with our 10-year average, there were 7% more fires but 58% less acres burned. There were 5% more human-caused fires and 52% more protected acres burned from human-caused fires than the average, but most of the acreage was due to one large fire. The influence of moderating weather and fire environment conditions such as fuel moisture is evident in the substantial decrease in acres burned from lightning fires in 2019; our 10-year average for acres burned from lightning is over 30,000 acres. In 2019, there were only 1,500 acres burned from lightning fires. Moderated fire environment conditions in 2019 contributed to a higher success of controlling fires at 10 acres and less.



**KPM #12 PREVENTION OF HUMAN-CAUSED WILDLAND FOREST FIRES** - Number of Oregon residents per human-caused wildland forest fires. (population expressed in thousands of residents)  
 This metric measures the ability to maintain or reduce the number of human-caused wildfires as the population of Oregon increases. An upward trend indicates a positive result.  
 Data Collection Period: Jan 01 - Dec 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Number of Oregon residents per human-caused wildland fire</b>					
Actual	No Data	No Data	No Data	No Data	5.800
Target	TBD	TBD	TBD	TBD	5.200

**How Are We Doing**

Key Performance Measure #12 was modified during the 2019 Legislative Session to report as a number of Oregon residents per human-caused wildland forest fire compared to previously reporting the number of human-caused wildland forest fires per 100,000 Oregon residents. With previously set legislative targets reporting on the number of fires, prior year data has been omitted from the report table. Results for the 2019 reporting year are reflected in the following narrative. The legislatively approved target for this measure in 2020 is 5.2 thousand Oregon residents per human-caused wildland forest fire (population expressed in thousands of residents).

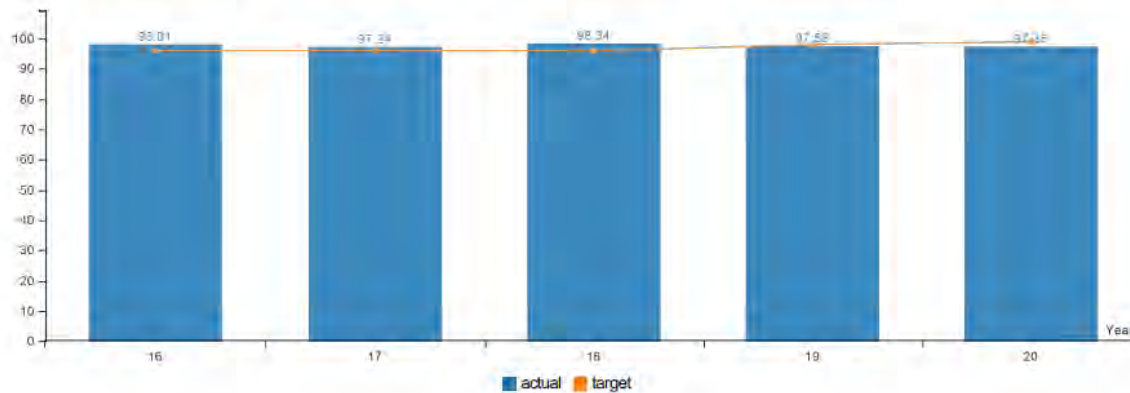
The fire prevention program continues to examine new and effective approaches to prevent human-caused wildland fires. There were 731 human-caused wildland fires in 2019. With Oregon's population increasing one percent to 4,236,400 the resulting fire prevention rate of 5.8 thousand Oregon residents per human-caused wildland forest fire exceeded the target. The 10-year average of human-caused wildland fires is 694 fires annually.

**Factors Affecting Results**

Steady increase in Oregon's population and the use of forestland for recreation as well as increasing rural residential home sites are key components for these results. Heavily populated areas of the state, where weather and fuel conditions are aided by public activities, such as debris burning, equipment use, and forest recreation, drive the data. While the number of human-caused wildfires were above average in 2019, the favorable rate can be attributed to aggressive fire prevention campaigns marking Smokey Bear's 75<sup>th</sup> Birthday celebration and excellent messaging with our partners from Keep Oregon Green, Oregon Office of the State Fire Marshal and many others under the Pacific Northwest Wildfire Coordination Group umbrella.

KPM #13 DAMAGE TO OREGON FORESTS FROM INSECTS, DISEASES, AND OTHER AGENTS - Percent of forest lands without significant damage mortality as assessed by aerial surveys.  
 Data Collection Period: May 01 - Oct 31

\* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
<b>Percent of Oregon forestlands without significant damage from insects, diseases and other agents</b>					
Actual	98.01%	97.24%	98.34%	97.58%	97.36%
Target	96%	96%	96%	98%	99%

**How Are We Doing**

The percent of Oregon forestlands without significant damage from insects, diseases and other agents consistently align with the KPM targets. The majority of tree mortality detected during statewide aerial surveys over the last decade has been due to bark beetles, many of which are attacking trees stressed by other primary factors such as drought, fire damage, disease and overstocked stands. Some pest agents are on the rise such as the non-native, sap-sucking insect balsam woolly adelgid which attacks true firs and remains an ongoing and untreated problem primarily on U.S. Forest Service ownerships. Management is often not feasible in these remote areas and the number of fir trees continues to diminish. Smaller episodic outbreaks from non-native spruce aphid and native pandora moth and Douglas-fir tussock moth also contributed to some increased damage. Damage from some pathogens such as root disease is hard to measure via aerial survey because it is either hard to see or hard to distinguish as a root disease. For example, dieback of conifers in plantations is labeled in aerial surveys as "young conifer mortality". Ground checks to determine the cause of this mortality have revealed a combination of about 80% root disease and 20% damage from vertebrate animals and other minor causes. Cooperative trapping surveys and monitoring for high-priority, non-native insects continued in 2019 and resulted in the detection of three European gypsy moths statewide, and no Asian gypsy moths.

**Factors Affecting Results**

Over the last decade, an average of over 1 million acres of forest lands have been designated as having been significantly affected by insects, diseases, and other damaging agents during aerial surveys. Thousands more acres are unhealthy and under-producing due to being overstocked, planted with off-site species, exposed to environmental stresses such as drought, and stagnating from the suppression of natural fire cycles. These acres are becoming increasingly susceptible to damage by environmental stressors, insects and diseases. While the statewide aerial survey data provides valuable information about key forest damaging agents, aerial surveys are just an estimate and are not able to evaluate the impact of many forest diseases, nor indicate the current or future risk of forests to damage by environmental stressors, insects and diseases. In Oregon, thousands of acres of forests need active management to reduce the risk of insect outbreaks and catastrophic wildfires to produce resilient and sustainable forests. A century of fire suppression and inconsistent forest management has resulted in thousands of acres of Oregon's forests

becoming overstocked and unhealthy. In addition, changing climatic conditions that contribute to drought directly cause damage or increase susceptibility to insects and disease. Thinning stands to reduce competition, promote tree health and vigor, and increase age and species diversity, have been shown to reduce the risk associated with many damaging insects and diseases. Federal bark beetle mitigation grants, administered by the Department's stewardship foresters, provide cost share funds to landowners to implement activities to improve forest health and increase stand resistance to bark beetles. Federal National Fire Plan funds also provide cost-share to landowners to improve forest health and prevent damage within the wildland-urban interface. However, as limited funds are available each year, the total acres of private forest lands treated annually is relatively limited and is unlikely to affect overall statewide trends.