

SUBCOMMITTEE RECOMMENDATION

SB 1546

Relating to Elliot State Research Forest

To: Ways and Means Full Committee
From: Natural Resources Subcommittee
Carrier: Senator Anderson

SB 1546 establishes the Elliott State Research Forest consisting of lands formerly constituting the Elliott State Forest. The measure decouples the Elliott State Forest from the Common School Fund and management of the State Forester and establishes the publicly owned Elliott State Research Forest.

The measure creates the Elliott State Research Forest Authority, a new state agency that is tasked with operating as a financially self-supporting entity and overseeing the Research Forest. The Authority will be governed by a seven- or nine-member Board of Directors appointed by the State Land Board.

Several tasks must be completed by July 1, 2023 before the measure is operative, including, but not limited to following:

- The State Land Board ensures that financial obligations to the Common School Fund related to the Elliott State Forest are satisfied; votes to decouple the Elliott State Forest from the Common School Fund; and approves a forest management plan for the Elliott State Research Forest.
- The Department of State Lands (DSL) contracts for third-party expertise and concludes that Oregon State University's (OSU) plan for forest operations and management demonstrates financial viability.
- The Board of Trustees of OSU authorizes the university to participate in management of the Elliott State Research Forest.

The State Land Board is to report to an interim or regular committee of the Legislative Assembly related to forests on or before September 15, 2023 if the tasks above were completed. If completed, the measure is largely operative on January 1, 2024.

DSL anticipates no additional administrative costs in their 2021-23 biennial budget because of this measure and intends to submit a Policy Option Package during the 2023-25 budget development process to request funding for Authority operations. The decoupling of the Forest from the Common School Fund is estimated to cost \$121 million. Impacts on other state agencies is likely to have no or minimal fiscal impact.

The measure provides that the Authority's Board of Directors is to contract with OSU for implementation of forest management operations consistent with mission and management policies included in this measure. OSU currently estimates that an initial investment of approximately \$23 million from 2024-26 is needed for operational costs and estimates \$17 million in initial capital costs.

The Natural Resources Subcommittee recommends SB 1546 be amended by the –A2 amendment and be reported out do pass, as amended.