

SB 1501 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Helm

Joint Committee On Ways and Means

Action Date: 02/26/22

Action: Do Pass the B-Eng bill.

House Vote

Yeas: 9 - Breese-Iverson, Bynum, Evans, Gomberg, McLain, Nosse, Sanchez, Smith G, Valderrama

Nays: 2 - Reschke, Stark

Senate Vote

Yeas: 8 - Golden, Gorsek, Hansell, Knopp, Lieber, President Courtney, Steiner Hayward, Taylor

Nays: 3 - Anderson, Girod, Thomsen

Exc: 1 - Frederick

Prepared By: Sione Filimoehala and Renee Klein, Department of Administrative Services

Reviewed By: Matt Stayner and John Terpening, Legislative Fiscal Office

Department of Forestry

2021-23

Department of Fish and Wildlife

2021-23

Department of Environmental Quality

2021-23

Budget Summary*

	2021-23	2022	Committee Change from	
	Legislatively Approved Budget ⁽¹⁾	Committee Recommendation	2021-23 Leg. Approved	
			\$ Change	% Change
Department of Forestry				
General Fund	\$ -	\$ 14,024,057	\$ 14,024,057	100%
Other Funds Limited	\$ -	\$ 2,646,131	\$ 2,646,131	100%
Total	\$ -	\$ 16,670,188	\$ 16,670,188	100%
Department of Fish and Wildlife				
General Fund	\$ -	\$ 11,623,074	\$ 11,623,074	100%
Other Funds Limited	\$ -	\$ 64,907	\$ 64,907	100%
Total	\$ -	\$ 11,687,981	\$ 11,687,981	100%
Department of Environmental Quality				
General Fund	\$ -	\$ 352,217	\$ 352,217	100%
Total	\$ -	\$ 352,217	\$ 352,217	100%

Position Summary

Department of Forestry

Authorized Positions	0	58	58
Full-time Equivalent (FTE) positions	0.00	20.96	20.96

Department of Fish and Wildlife

Authorized Positions	0	15	15
Full-time Equivalent (FTE) positions	0.00	7.25	7.25

Department of Environmental

Authorized Positions	0	2	2
Full-time Equivalent (FTE) positions	0.00	1.26	1.26

⁽¹⁾ Includes adjustments through January 2022

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 1501 appropriates \$25,999,348 General Fund and increases Other Funds expenditure limitation by \$2,711,038 to implement the Private Forest Accord (PFA). This funding includes the following:

- Oregon Department of Forestry (ODF): an appropriation of \$14.0 million General Fund and an increase of \$2.6 million Other Funds expenditure limitation. Other Fund revenues will come from Harvest Tax revenues, assuming the passage of HB 4055 (2022).
- Oregon Department of Fish and Wildlife (ODFW): an appropriation of \$11.6 million General Fund and an increase of \$64,907 Other Funds expenditure limitation. Of the General Fund appropriation, \$10.0 million is for deposit into the Private Forest Accord Mitigation Subaccount established within the Oregon Conservation and Recreation Fund as part of the measure. Other Funds revenues will be derived from the Oregon Conservation and Recreation Fund.
- Department of Environmental Quality (DEQ): an appropriation of \$352,217 General Fund.

Summary of Natural Resources Subcommittee Action

SB 1501 implements the PFA, recommending updates to the Forest Practices Act (FPA). The FPA was first enacted by the legislature in 1971 and established standards for commercial activities involving establishment, management or harvesting of trees in Oregon's forestland. This includes building and maintaining roads, harvesting activities, applying pesticides, and reforestation efforts. SB 1602 (2020 First Special Session) directed mediation sessions between the forestry industry and environmental interests to recommend changes to update the FPA. The parties reached an agreement in late October 2021 and this measure includes updates based on agreements made during the mediation process. The Subcommittee approved \$28,710,386 total funds and the establishment of 75 positions (29.47 FTE) to implement the requirements of the measure, this includes funding to ODF, ODFW, and DEQ.

Oregon Department of Forestry

The Subcommittee recommended an appropriation of \$14,024,057 General Fund, an increase of \$2,646,131 Other Funds expenditure limitation, and the establishment of 58 positions (20.96 FTE) to implement the PFA. The measure directs ODF to enact a single rulemaking package consistent with the PFA agreements, as well as provide landslide modeling, propose a habitat conservation plan, create a Small Forestland Owners Assistance Office and provide grants to small forestland owners, establish an adaptive management program, conduct inspections to assess compliance with the FPA, adopt rules regarding pesticide application, and provide various reports to the Legislative Assembly about implementation of the measure.

Of the established positions, 29 (27 permanent and two limited duration) will be used to create the Small Forestland Owners Assistance Office to support and promote implementation of financial incentives and technical assistance programs for small forestland owners. These positions include 12 new Natural Resources Specialist 2 positions to provide field assistance to small landowners with compliance and grant programs, four new Forest Manager 2 positions, as well as management, administrative and technical positions.

The remaining 29 positions will provide support to implement other requirements contained in the measure. The positions established to conduct this work include: five positions (one permanent and four limited duration) to work on GIS, Forest Activity Electronic Reporting and Notice System (FERNS) updates, and other IT development; one permanent position to coordinate federal funding for PFA Report Implementation; three permanent positions for work related to forest road inventory; one permanent position to facilitate the Adaptive Management Program Committee; three permanent compliance positions; six permanent positions to work in enforcement, including development of training and outreach; five positions (four permanent and one limited-duration) to work on rulemaking and policy implementation; and five (four permanent and one limited-duration) positions to provide administrative support.

In addition to the positions, other costs included in the bill include:

- \$2.0 million to contract for the habitat conservation plan.
- \$2.0 million to contract for landslide modeling.
- \$2.5 million to contract for LIDAR analysis in areas that do not have existing data.
- \$1.0 million for hydrology modeling.
- \$1.0 million to purchase 24 vehicles for the new field positions and new office staff.
- \$350,000 for compliance monitoring.
- An estimated \$1.65 million for technology updates, including for FERNS, GIS, and other work.

Finally, ODF will also use funding to cover position related Services and Supplies costs and for interagency transfers for increased administrative services costs associated with additional workload.

This recommendation also includes \$1.8 million Other Funds expenditure limitation to account for funding to be received from the Forest Products Harvest Tax for administration of the FPA. This tax is currently being contemplated by the Legislature as part of HB 4055 (2022). The Forest Products Harvest Tax can be used to pay up to 40% of the total costs to administer the FPA. The workload associated with this measure related to FPA administration will be evaluated by the Department during the 2023-25 budget process to identify ongoing costs to be supported by Forest Products Harvest Tax revenue at the standard split of 40%.

As a note, no funding is included in this measure for deposit into the Small Forestland Investment in Stream Habitat Program. If a deposit is made into the program fund additional Other Funds expenditure limitation would likely be needed by the Department.

Oregon Department of Fish and Wildlife

The Subcommittee recommended an appropriation of \$11,623,074 General Fund, an increase of \$64,907 Other Funds expenditure limitation, and the establishment of 15 full-time positions (7.25 FTE) to implement the PFA. The measure directs ODFW to adopt, amend, or repeal rules to conform with the ODF rule package, provide stream surveys and classification data, establish the Private Forest Accord Grant Program,

provide additional support and research regarding beaver management, participate in identified committees and provide reports to the Legislative Assembly about implementation of the measure.

To perform the work, the Subcommittee recommended the following positions:

- One limited duration Operations and Policy Analyst 3 position (0.50 FTE), one limited duration Information Systems Specialist 6 position (0.25 FTE), one limited duration Information Systems Specialist 5 position (0.50 FTE), and two Information Systems Specialist 5 positions (1.00 FTE) to develop and manage stream classification data, assist with updates to FERNS, and work on modelled layers and mobile field applications for streamflow.
- One Natural Resource Specialist 3 position (0.50 FTE) and one Administrative Specialist 2 position (0.50 FTE) to run the Private Forest Accord Grant Program.
- Two Natural Resource Specialist 2 positions (1.00 FTE) to conduct work around beaver management.
- Six Natural Resource Specialist 2 positions (3.00 FTE) to survey streams across the state.

In addition to the positions listed, funding includes position-related Services and Supplies costs, as well as additional costs related to fieldwork, travel, and beaver management equipment. The General Fund appropriation also includes \$10.0 million for deposit into the Private Forest Accord Mitigation Subaccount established within the Oregon Conservation and Recreation Fund to be used for outreach to help improve riparian areas.

Department of Environmental Quality

The Subcommittee recommended an appropriation of \$352,217 General Fund and the establishment of two positions (1.26 FTE) to implement the PFA. The positions include a Natural Resource Specialist 3 (0.63 FTE) and a Natural Resource Specialist 4 (0.63 FTE) to provide technical assistance related to water quality and aquatic ecosystems on forested land. This would include technical consultation on rulemaking, working on the adaptive management program, consulting on mapping of streams and road abandonment, review of remediation site plans, and other water-related activities.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Forestry, Department of Fish and Wildlife, Department of Environmental Quality
 Renee Klein – 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
Oregon Department of Forestry									
SCR 008 - Administration									
Personal Services	\$ -	\$ -	\$ 863,806	\$ -	\$ -	\$ -	\$ 863,806	8	4.66
Services and Supplies	\$ -	\$ -	\$ 157,325	\$ -	\$ -	\$ -	\$ 157,325		
SCR 050 - Private Forests									
Personal Services	\$ 2,694,554	\$ -	\$ 675,000	\$ -	\$ -	\$ -	\$ 3,369,554	50	16.30
Services and Supplies	\$ 9,283,658	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ 10,233,658		
Special Payments	\$ 1,001,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,001,845		
Capital Outlay	\$ 1,044,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044,000		
Oregon Department of Fish and Wildlife									
SCR 020-01 - Wildlife Management									
Personal Services	\$ 203,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,558	2	1.00
Services and Supplies	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000		
Special Payments (6060 Intra Agency Gen Fund Tsfr)	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
SCR 040 - Administration									
Personal Services	\$ 550,897	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,897	5	2.25
Services and Supplies	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,000		
SCR 060 - Habitat Division									
Personal Services	\$ 741,619	\$ -	\$ 64,907	\$ -	\$ -	\$ -	\$ 806,526	8	4.00
Services and Supplies	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,000		
Department of Environmental Quality									
SCR 002 - Water Quality									
Personal Services	\$ 250,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,996	2	1.26
Services and Supplies	\$ 101,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,221		
SUBCOMMITTEE RECOMMENDATION *	\$ 25,999,348	\$ -	\$ 2,711,038	\$ -	\$ -	\$ -	\$ 28,710,386	75	29.47
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%		100.0%

*Excludes Capital Construction Expenditures