

## ANALYSIS

### Item 45: Department of Forestry Urban Forestry and Forest Legacy Programs

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**Analyst:** April McDonald

**Request:** Increase Federal Funds expenditure limitation by \$35,474,933 and authorize the establishment of 38 permanent positions (19.00 FTE) to support implementation of federally funded forestry programs.

**Analysis:** During the September 2023 meeting of the Joint Interim Committee on Ways and Means, the Department of Forestry (ODF) was granted approval to apply for several federal funding opportunities made possible by the Inflation Reduction Act, and was awarded the following grants through the U.S. Department of Agriculture, Forest Service:

- Urban and Community Forestry – ODF was granted nearly \$23 million with no match requirement to invest in green space and tree cover for Oregon’s disadvantaged communities. This program has a five-year performance period to deliver funding for projects that promote both urban and rural community forestry activities throughout Oregon. ODF reports their aim is to distribute subawards as broadly and equitably as possible throughout the state, and the first tranche of subawards will be granted to federally recognized tribes and tribal organizations. ODF estimates the need for nearly \$11 million Federal Funds expenditure limitation for program funding during the 2023-25 biennium. The Department anticipates requesting the remaining expenditure limitation as part of the 2025-27 biennial budget development process.
- Forest Legacy Program – The Forest Legacy Program (FLP), established in 1990, is a conservation program administered by the U.S. Forest Service in partnership with state agencies to encourage the protection of privately owned forest lands through conservation easements or land purchases. ODF was granted over \$10 million to acquire 3,111 acres as part of the Tualatin Mountain Forest Project to establish a working research forest owned by Oregon State University; and nearly \$10 million to acquire 10,964 acres of working forestland and a corridor along the Minam River for conservation. Grant match requirements have been met by conservation partners.

The Department has a long-standing history of supporting federal partnerships through the provision of staff resources, grant administration, forestry expertise, and landowner relationships to deliver programs. This work is accomplished through grant agreements, memorandums of understanding, and other contractual means, where ODF is provided federal funding to assist in the delivery of programs. To accomplish this substantial and continuous body of work, ODF is currently using temporary positions supported by Federal funds. Temporary positions have limitations associated with hiring, retention, duration of work, and transparency in the budget process. Given the long-standing and sustained nature of the federal partnership work with ODF’s Forest Resources division, the Department requests establishment of 38 permanent positions (19.00 FTE) supported by federal revenue.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$30,799,000 in Federal Funds expenditure limitation, on a one-time basis, for implementation of grants received for the Urban Community Forestry and Forest Legacy programs; and an ongoing increase of \$4,675,933 in Federal Funds expenditure limitation to establish 38 permanent positions (19.00 FTE), for the Department of Forestry, in a budget reconciliation bill during the 2024 legislative session.

**Request:** Increase Federal Funds expenditure limitation by \$35,675,933 and establish 38 positions (19.00 FTE) for Urban Community Forestry and Federal Partnership projects.

**Recommendation:** Approve the request during the 2024 Legislative Session.

**Discussion:** On September 28, 2023, the Oregon Department of Forestry appeared before the Joint Ways and Means Subcommittee on Natural Resources to request authorization to apply for grants from the U.S. Department of Agriculture for the Private Forest Legacy program and the Urban and Community Forestry program. The grant application submissions were approved by the full Joint Ways and Means committee on September 29, 2023. The grant applications support projects under the Forest Legacy and Urban and Community Forestry programs.

The Forest Legacy program is a conservation program administered by the U.S. Forest Service in partnership with state agencies to encourage the protection of privately owned forest lands through conservation easements or land purchases. Protection of private forests through the Forest Legacy Program maintains a multitude of public benefits including opportunities to hunt, fish, and camp; clean and abundant drinking water; habitat for fish and wildlife; and timber, fuel wood, and other forest products. The requested Federal Funds expenditure limitation increase will support a Tualatin Mountain Forest land acquisition project, a Minam River land acquisition, and administrative support.

The Urban and Community Forestry program has been made available through the federal Inflation Reduction Act and provides funds for states to work with community tree groups for the improvement of urban and community forests. The requested Federal Funds expenditure limitation increase will provide support for tree equity, the increase of nursery stock, and subawards for federally recognized tribal governments.

In addition to increases associated with the grant applied for in September, the Department is requesting additional Federal Funds expenditure limitation to support ongoing grants provided by the U.S Department of Agriculture Forest Service State and Private Forestry and Natural Resources Conservation Service programs.

**Legal Reference:** Increase the Federal Funds expenditure limitation established by chapter 453, section 4(4), Oregon Laws 2023, for the Oregon Department of Forestry, Forest Resources, by \$35,675,933 for the 2023-25 biennium.



# Oregon

Tina Kotek, Governor

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December 4, 2023

Senator Elizabeth Steiner, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

**RE: Federal Funds Limitation for IRA and Forest Legacy Grant Dollars and Permanent Position Capacity for Existing Federally Funded Work**

Dear Co-Chairs:

**Nature of the Request**

The Oregon Department of Forestry respectfully requests permission to appear before the Joint Interim Committee on Ways and Means at its January 2024 meeting for the purpose of:

1. Requesting an additional Federal Fund expenditure limitation in the amount of \$31M for grants received from the Inflation Reduction Act (IRA) for our Urban Community Forestry (UCF) program, as well as Forest Legacy grant funds.
2. Requesting permanent positions to provide additional permanent capacity for ongoing federally funded efforts. This is a total of 38 positions and 19.00 FTE and an increase of \$4,675,933 Federal Funds limitation.

**Agency Action**

*Additional Federal Funds Limitation for IRA – UCF and Forest Legacy Grants*

ODF was successful in our endeavor to secure a USDA Forest Service grant to support Urban & Community Forestry programs and in securing Forest Legacy grant funds to support the Minam and Tualatin Hills acquisitions. As a result, ODF respectfully requests additional Federal Fund expenditure limitation for the following: \$1.4 million for the Noncompetitive Inflation Reduction Act (IRA) – Urban & Community Forestry (UCF) grant;

\$8.6M for the Competitive IRA – UCF Grant; \$800,000 for IRA – UCF related position costs (not including Personal Services); \$9.754M for the ODF portion of the Forest Legacy Program Minam Conservation Phase 2 project; and \$10.245M for the ODF portion of the Forest Legacy Program Tualatin Mountain Forest project. This is a total of \$31M in Federal Funds limitation being requested by the department.

*Additional Permanent Position Capacity for Ongoing Federally Funded Efforts*

Federal partners such as the USDA Forest Service S&PF and the Natural Resources Conservation Service (NRCS) have a long-standing history of partnering with ODF for staff resources, forestry expertise, and landowner relationships to deliver programs. This work is done through grants, agreements, memorandum of understanding, and other contractual mechanisms, where ODF is provided Federal Funding to assist in the delivery of technical and financial assistance programs, primarily for non-industrial Family Forest landowners. These programs are important to Family forestland owners that 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. In addition to Family forestland owner assistance, ODF receives federal funding for forest health work, grant administration, and conservation of forests through the Forest Legacy program. Given the level of investment over the past decade, and continued demand by our federal partners, a sustainable body of work and federal funding has developed.

The 38 positions and 19.00 FTE that ODF is seeking permanent position authority for is comprised of the following: 28 Natural Resource Specialist 2 positions; three Natural Resource Specialist 3 Positions; two Forest Manager 1 positions; two Administrative Specialist 1 positions; a Fiscal Analyst 2 position; a Policy Analyst 2 position; and an Operations & Policy Analyst 3 position.

**Action Requested**

The Oregon Department of Forestry (ODF) respectfully requests additional Federal Fund expenditure limitation in the amount of \$31M for grants received from the Inflation Reduction Act (IRA) for our Urban Community Forestry (UCF) program, as well as Forest Legacy grant funds.

In addition, ODF respectfully requests five new positions for work on the IRA – UCF grants mentioned above, as well as 33 positions to allow work to be done with existing, ongoing funds to make those positions permanent. This is a total of 38 positions and 19.00 FTE and an increase of \$4,675,933 Federal Funds limitation.

Senator Elizabeth Steiner, Co-Chair

Representative Tawna Sanchez, Co-Chair

RE: Federal Funds Limitation for IRA and Forest Legacy Grant Dollars and Permanent Position Capacity for Existing Federally Funded Work

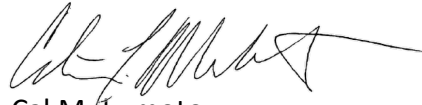
December 4, 2023

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## Legislation Affected

HB 5020, Chapter 453, Section 4(4), Oregon Laws 2023

Sincerely,

A handwritten signature in black ink, appearing to read "Cal Mukumoto", with a long horizontal flourish extending to the right.

Cal Mukumoto

State Forester

(503) 945-7211

c: Legislative Fiscal Office  
Chief Financial Office  
Board of Forestry  
Governor's Office