

**Forest Trust Land Advisory Committee Meeting**  
**Tentative Location: Government Center**  
**1201 Court Street, Salem Oregon**  
**Room 113**  
**February 17, 2015**  
**1:30 p.m. – 4:30 p.m.**

**1:30 – 2:00 p.m.            Opening Remarks**

*Tim Josi, Chair*

Introductions

- Approval of October 20, 2014 FTLAC meeting minutes
- FTLAC Chair and Vice Chair comments
- 2015 FTLAC Meeting Schedule

*FTLAC Members*

*Tim Josi and Craig Pope*

**2:00 – 2:15 p.m.            Public Comment**

**2:15 – 3:00 p.m.            Alternative Forest Management Plan Status**

*Liz Dent/Brian Pew*

- Outlook for project: today through November
- Principles, Definition, Factors
  - Production
  - Conservation
  - Financial Viability
- Next Steps

**3:00 – 3:15 p.m.            Break**

**3:15 – 3:45 p.m. 2015 FTLAC Legislative Session**

*Paul Bell/Doug Decker*

- Biennial Budget
- Legislative Concepts
- POPs

**3:45 – 4:15 p.m.            Develop FTLAC Testimony for March 4<sup>th</sup> Board Meeting**

*FTLAC Members*

**4:15 – 4:30 p.m.            District Roundtable**  
*(as time permits)*

*Area Directors/District Foresters*

**4:30 p.m.                    Adjourn**

*Coffee and water will be provided*

## Forest Trust Land Advisory Committee Meeting

Oregon Department of Forestry  
48300 Wilson River Highway  
Tillamook, Oregon  
October 20, 2014

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

**Present Committee Members:** Tim Josi, Tillamook County Commissioner, Chair; Craig Pope, Polk County Commissioner, Vice Chair; Faye Stewart, Lane County Commissioner; Scott Lee, Clatsop County Commissioner

**Present Department Staff:** Doug Decker, Oregon State Forester; Liz Dent, State Forests Chief; Brian Pew, State Forests Deputy Chief; Barb Moore, Tillamook Assistant District Forester; Mary Schmelz, Office Manager, Public Affairs; Dan Postrel, Public Affairs Director; Mike Totey, West Oregon District Forester; Josh Barnard, Operations Policy Analyst, State Forests; Jeff Brandt, Adaptive Mgmt. Unit Manager, State Forests; Justin Butteris, Policy Analyst, State Forests; Ed Deblander, State Forests Asset Manager; Dan Goody, Astoria District Forester; Mike Cafferata, Forest Grove District Forester; Don Everingham, NWOA Assistant; Ron Zilli, Astoria Assistant District Forester

### **Present Others:**

Gary Springer, Board of Forestry; Gil Riddell, County of Forest Trust Lands; Sam Brentano, Marion County Commissioner; Brian Geers, Department of Corrections; Annabelle Jaramillo, Benton County Commissioner; Mitch Morrow, Department of Corrections; Rex Storm, Associated Oregon Loggers; Christopher Smith, North Coast State Forests Coalition; Scott Somers, Clatsop County Manager; Brett Brownscombe, Governor's Natural Resources Policy Advisor; Jim Paul, Assistant Director Dept. of State Lands; Chris Castelli, Department of State Lands; Bob Van Dyk, Wild Salmon Center

### **Chair Opening Remarks**

None at this time.

### **Approval of Minutes**

- July 8, 2014 FTLAC Minutes

**MOTION** to approve minutes: Commissioner Lee. **SECOND:** Commissioner Stewart. **ALL IN FAVOR.** Minutes approved.

### **South Fork Camp history and operations, Nathan Seable, Mitch Morrow, Brian Geers**

The Rehabilitation Act of 1949 gave the Board of Forestry authority to establish inmate work camps. South Fork is the oldest and largest camp of its type in the Pacific Northwest. The mission of South Fork Camp is to produce economic, local and environmental benefits for the people of Oregon. The camp focuses on safety and natural resource management. The Department of Corrections (DOC) and the Department of Forestry (ODF) have clearly defined roles and camp responsibilities as well as separate budgets. Inmates are assessed by DOC to determine whether their corrections plan fits with the facility's low security operations and mission. The production oriented skilled inmate labor is the responsibility of ODF. In 2014 South Fork had 28,400 manned days. State Forester Decker commented that South Fork adds valuable capacity to state forest management and fire protection.

### **South Fork Budget**

10 year average of expenditures/Crew coordinator salaries:

- 60% Forest management activities

- 10% Fire assignments. This is paid by Protection, but there is cost for training and Personal Protective Equipment (PPE). South Fork is working with Protection to determine who should pay for PPE.
- 30% Recreation projects on State Forest lands – including infrastructure

### **Public Comment**

*Rex Storm, Associated Oregon Loggers* said that the Alternative Forest Management Plan offers a unique opportunity for the FTLAC to help the department shape the plan. He said this is a great opportunity to influence increased revenue flows and resource management. The zoned option is a public management planning practice that has been successfully implemented around the United States. Allocation of revenue need not be an obstacle; just as other options can be zoned, the same could happen here, basing revenue flows on forest or conservation management on a county basis.

*Brett Brownscombe, Governor's Natural Resource Advisor*, spoke on behalf of the Governor. He said he will share the rationale for the South Fork POP with the Governor; the fact that camp has been around so long is testament that it is working. The Governor is aware of the budget process, POP's, funding levels and the Alternative FMP process. He mentioned that there is a lot of interest among agencies in what is a small amount of general fund. The Governor cares about the financial viability of the department and cares about securing conservation values. The Governor is glad the land allocation conversation is moving to full board consideration on November 5, 2014. He regards the Trust Land counties as a critical group to influence the new FMP. The Governor provides assurances that things won't get sidetracked should something move forward. Mr. Brownscombe welcomed comments about how the Governor can help the Trust Land counties.

### **Alt FMP Process, Liz Dent**

The FMP planning area covers the Astoria, Tillamook, Forest Grove, North Cascade, West Oregon, and Western Lane districts. The goal is to produce a plan that is both financially viable and increases conservation values.

On September 29, 2014 the board subcommittee deliberated on two options, drawing on multiple stakeholder proposals. The subcommittee recommended that at the November 5, 2014 full board meeting staff ask the board to move forward with the land allocation "zoned" approach.

Public Comment on Alt FMP options – most frequent comments

- Concern that more evaluation of alternatives had not taken place yet
- Concern that alternatives might not meet goals for volume and revenue or conservation outcomes
- Concern about expedited timeline; not enough time to thoroughly understand the options
- Include in the plan the importance of forest management providing social benefits

Josh Barnard gave a presentation summarizing the land allocation approach. Some highlights:

- There could possibly be additional zones (for either production or conservation)
- Expect that a focused production zone will result in more production
- There is a potential of harvest between buffer zones
- Seral habitat could be located in some production zones and count toward complex goals (mixed in production zone, with value in the conservation zone as well)

### **Pursue Habitat Conservation Plan**

The agency is considering reopening a conversation with federal agencies about an HCP. Chair Josi commented that the first time the department pursued an HCP the FTLAC pushed back. The current approach focuses more on the HCP potentially being a good business decision. He expressed concern about green tree and no cut stream buffers.

Brian Pew shared areas where the State Forests division is improving its practices:

- Astoria district: used a different marketing method by selling a log sale contract
- WALT: IT project to replace an outdated system that was built in 1968
- Continue to seek alternative revenue sources
- Exploring idea of an experimental forest with the goal of advancing knowledge of forestry in Oregon

#### FMP Next Steps

See Attachment 2

Gary Springer, Board of Forestry Alternative FMP subcommittee member, said that Structure Based Management wasn't working. He said that Land Allocation could work, but there's a risk of overpromising, which occurred when Structure Based Management was implemented. Everyone needs to realize there are tough decisions and tradeoffs.

Chair Josi suggested that the direction the FTLAC give the board be that, of the two approaches, land allocation is the only approach that has the potential to "pencil out". He suggested that the department work closely with Mark Rasmussen to arrive at an option everyone can live with that is ground-truthed before it is adopted. Mr. Josi noted that, if the department isn't financially solvent, they are not meeting the counties' legal requirements.

Vice-Chair Pope said he appreciated the comment Mr. Springer made regarding the tough decisions and trade-offs. He said GPV is still the foundation of any plan moving forward. Mr. Pope requested that ample time be allowed so that county representatives have correct modeling data to present to their constituents and all stakeholders have ample time to provide thoughtful input.

Scott Lee said that Clatsop County could support the land allocation approach but has concerns. Clatsop County is timber dependent and has been clear about protecting its fiscal interest in the forest. A concern is that policy statements like "forest management across district lines" could mean "revenue across districts". The county will work with the board, but will also fight for its trust share. He would like to address non-equitable distributions, for instance, there's only one campground in Clatsop County but six in Tillamook County. He further said he appreciates the candid responses from the board to the county's questions, and is encouraged by the FTLAC Chair and Vice Chair comments.

Commissioner Jaramillo noted that Benton County doesn't have large allocations, but also wants to see this approach work.

Commissioner Brentano noted that the trust is for revenue generation, not recreation. Putting 30% into recreation takes that 30% out of production.

Commissioner Stewart said that of all the alternatives, this one seems to have the most promise. He said that timber revenues are critical to Lane, Coos and Josephine counties.

**Motion:** Commissioner Stewart:

- 1) Move to support the land allocation direction that the Board of Forestry subcommittee is recommending.
- 2) The FTLAC does not support a change in the revenue distribution formula.

**Second:** Commissioner Lee

Commissioner Lee suggested an amendment to the motion as follows: "The FTLAC does not support a revenue pooling system as understood at this time".

**Amended Motion:** Commissioner Stewart:

- 1) Move to support the land allocation direction that the Board of Forestry subcommittee is recommending.
- 2) The FLTLAC does not support a revenue pooling system as understood at this time.

**Second:** Commissioner Lee

**Vote:** All in favor (4:0)

### **2015-2017 Legislative Session State Forests Bills**

#### Log Sort Sales, Ed Deblander

ODF embarked on a pilot project to explore selling timber through log sorts as opposed to stumpage. Changes to statute language may be needed regarding administering log sort contracts.

#### Permits for Raves on State Lands, Justin Butteris

Raves (large commercial events) on state forestland present safety and property damage risks. This bill would make it a criminal act to have a large commercial event on state forestland without a permit. Clatsop and Tillamook counties support the concept.

#### DSL Elliott Alternative Project, Jim Paul

Ninety percent of the Elliott Forest is in Common School Land. The forest is encumbered by endangered species and litigation risks, resulting in lost revenues. Last spring three parcels were put up for sale. The Department of State Lands hired staff to lead an alternative management project for the Elliott Forest. A contractor, Evergreen, modeled outputs and economic and qualitative non-market outcomes to consider the alternatives available to the Land Board. The alternatives are:

- 1) Land Board continues to own Elliott, consider an HCP
- 2) Land Board sells:
  - a. Public agency buy-up
  - b. Community forest option/partnerships to purchase
  - c. Public auction
  - d. Pursue conservation ownership

#### **Prepare for AOC, Gil Riddell**

The annual CFTLC meeting will be held November 19, 2014, 7:00am – 8:30am.

*Meeting adjourned*

#### ATTACHMENTS

- Attachment 1: Land Allocation – Draft Concept September 2014
- Attachment 2: FMP Next Steps
- Attachment 3: Developing a New Forest Management Plan for NW Oregon
- Attachment 4: Refined Alternatives Used for Modeling, Draft Finding: Annual Harvests, Draft Finding: Timber Harvest Revenue, Draft Finding: Comparing Alternatives

**Materials and audio for this meeting are available at the Board of Forestry FTLAC subcommittee meeting at [Forest Trust Land Advisory Committee](#)**

## **ANALYSIS OF FINANCIAL VIABILITY AND CONSERVATION MEASURES FOR A REVISED NW OREGON STATE FOREST MANAGEMENT PLAN (2015)**

Oregon's State Forests are managed to achieve the greatest permanent value (GPV) for all Oregonians (ORS 530.050). This mandate, which is further defined in administrative rule developed and approved by the Board of Forestry, directs State Forests to manage for social, economic, and environmental benefits to provide both sustainable and predictable revenue from forest products and long-term conservation of fish and wildlife habitats as well as social values.

The Oregon Board of Forestry concluded in 2012 that the current approach for managing state-managed forestlands was not financially viable. A Board of Forestry subcommittee was formed to address these financial viability issues. Outcomes included directing the State Forests Division to examine alternatives to the current Forest Management Plan (FMP) for Northwest Oregon. The Board further directed the Division to focus the FMP Alternatives project with "twin goals" to develop a new forest management plan that is both financially viable and improves conservation outcomes in state forestlands. The Board also directed the Division to develop a "land allocation" approach as the primary strategy for a comprehensive forest management plan. More detailed background, definitions, goals and strategies are described below.

### **A. Financial Viability**

#### **Background**

The Department's State Forests Division is financially self-sustaining (no general fund), with the vast majority of its revenue derived from a portion of timber sale receipts. On Board of Forestry (BOF) lands (the focus of the Alternative Forest Management Plan Process), counties, schools and local taxing districts in which the timber sales are located receive 63.75% of the net proceeds and ODF receives 36.25%. Monies that are received by the State are deposited in an operating fund, named the Forest Development Fund (FDF) and are made continuously available to ODF to manage the Board of Forestry lands.

The recession that began in late 2007 drove housing starts to near-record lows nationally, leading to severely depressed timber values and substantial erosion of the FDF, which serves as an operating fund for the Division. In response to the economic downturn, the Department responded with the most significant reductions in its history, laying off fifty-six positions and curtailing operations across the Division. Through layoffs and other cost reduction measures, the Division reduced expenditures by 30 percent in fiscal year 2010. While this resulted in a more stabilized management of State Forests, the FDF continues to decline as annual costs continue to exceed annual revenue. This significantly diminished investments in recreation, research and monitoring, forest inventory, silvicultural activities, and other key aspects of forest stewardship.

The agency formed a Financial Viability work group in the fall of 2011, to assess the situation and to explore ideas, develop options, and recommend policies, strategies, and actions to maintain the Division's financial viability. The work group concluded that, while the current FMP provides many benefits, it did not produce enough revenue to sustain the State Forest Division over the long term. The

group also explored options for cost reductions and ideas for revenue enhancement. In January, 2013, the BOF established a subcommittee to work with staff and stakeholders to better understand the Financial Viability workgroup findings and long-term outlook for the State Forests Division. At the Board's direction, several steps were taken:

- Established a Subcommittee of the Board to direct Division work, establish criteria for success and sideboards, and provide a liaison role between the Division and the Board
- Evaluated Alternative Revenue Sources developed by the subcommittee
- Convened a Stakeholder Group to help guide the Division's work on alternative forest management plans.

The eight-member Stakeholder Group completed four meetings while working toward a goal of developing 1-3 Forest Management Plan approaches that could potentially achieve financial viability for the agency and improve conservation outcomes on State Forests in NW Oregon. The ideas generated by the Stakeholder group were reviewed by an independent panel of scientists. Following this scientific review the BOF met on November 5th, 2014, and reached a unanimous decision accepting the subcommittee's recommendation to pursue a "land allocation" forest management approach which must meet two goals: financial viability and an increase in conservation outcomes. A "land allocation" approach will designate lands into emphasis areas, primarily for conservation (Section B) or for timber harvest production (Section C).

### **Financial Viability Defined**

To be financially viable State Forests Division needs to have sufficient revenue to fully implement approved forest management plans and provide the desired balance of environmental, social, and economic benefits. At a minimum, State Forests Division must bring in at least as much money as it is spending. The stronger business model is for revenue to exceed operating costs in the long-term, creating a stronger FDF and greater financial security. The revenue could come from other sources than timber sales.

The FDF balance continues to decline because expenditures exceed revenue. The FDF balance is critical in the Division's business transactions cycles; i.e. when bills are due and when money is received from timber sales. Given the flexibility provided to purchasers of timber sales and the multi-year duration of these contracts, incoming cash flow is not steady. To have stable business operations the FDF balance must be high enough to accommodate cash flow cycles and be prepared for unforeseen risk. For example market conditions commonly shift with changes in demand and value of wood. If the fund balance is too low, State Forests will not be able to withstand these fluctuations and pay for standard business transactions.

Calculations for financial viability estimating the financial gap are only solving the "money in—money out problem" and do not include a specific dollar amount for rebuilding the FDF account. The FDF account balance will increase through phased-in implementation of the new plan. ODF will slowly add back resources to increase program services as the FDF account balance first stabilizes and then begins to increase.

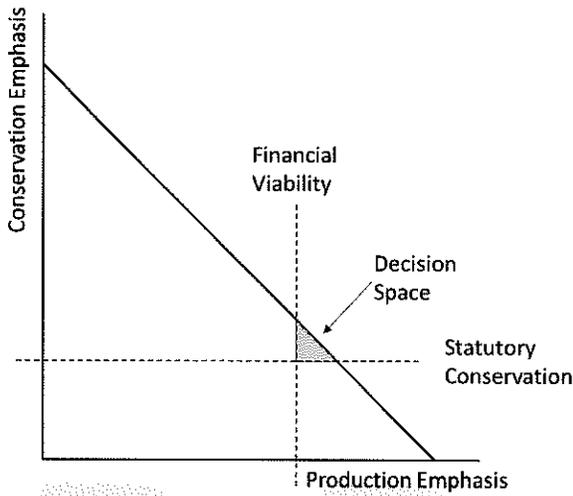
## **Goal**

The objective is that the new forest management plan pays for full implementation including fully funded programs like Recreation, Research and Monitoring, and forest Investments that include inventory, young stand management, . An estimated \$10 million dollars of additional annual revenue is needed for full implementation of a Land Allocation management plan. This level of investment will allow for proper management of the forest. An increase of \$7 million will allow for base-level plan implementation. This funding level is similar to current operations (with inflation). The forest is adequately managed, but due to lack of resources not all plan goals are being achieved. Regardless of plan, the annual budget is projected to continue to increase 2% a year to cover inflation mainly associated with increases in existing personnel costs. Log prices are expected to trend down starting in 2018. Combined, these factors will significantly reduce annual net revenue. If the revenue is derived solely from timber harvest, about \$20 to \$28 million additional revenue would need to be generated. This accounts for both the county share and the ODF share. Please see the attached Financial Viability worksheet (Appendix 1) for the methods and assumptions used in developing the estimated dollar amounts needed to become financially viable.

## **Strategies**

To achieve financial viability the Division is taking a multi-part approach that involves improving business practices, pursuing other sources of revenue, and developing a new forest management plan. There are several business practice improvements underway to modernize log accounting and increase efficiencies in timber sale contracting. This system is known as WALT (Wood Accounting and Log Tracking). The Division is also testing new methods of marketing by selling logs directly through sort sales, and changing how procurement contracts for seedlings are established with nurseries. These projects are improving business practices. Additional projects to modernize and improve operations will occur in future years. However, it cannot be assumed they will significantly reduce cost or generate the revenue to achieve a financially viable Division. The department has also begun pursuing other revenue sources in the form of Policy Options Packages (POPs) for General Fund money from the legislature. The Governor's Recommended Budget currently contains approximately \$3 million in "bridge funding" for the current biennium. This proposed budget will need to be approved by the legislature and the amounts recommended for the State Forests Division may be reduced, increased, or not allocated at all through this process. The development of a new forest management plan with a "land allocation" approach is also underway. Given that the majority of revenue for the Division is generated from timber sales the Division must find the appropriate balance between conservation- and production-emphasis to become financially viable. Ultimately there is a maximum possibility of production outputs from State Forests where tradeoffs occur between outputs depending on the focus, as shown in Figure 1.

Figure 1



State forest lands will be allocated primarily to either conservation or production. Any point along the downward sloping line indicates the trade-off between conservation and production, where the land-base is being fully utilized for production, conservation, or both. A point under the line indicates not all lands are being used to benefit either conservation or production. A point above the line represents a combination of outcomes that requires a larger land-base than available, and is not achievable.

The allocation to either production or conservation is constrained by meeting financial viability (i.e., the plan generates sufficient revenue to fully implement the plan; indicated by the vertical dashed line) and through meeting legally mandated conservation requirements (indicated by the horizontal dashed line). The achievable allocations that meet both financial viability and statutory conservation are indicated by the shaded triangle labeled "decision space."

To help determine the appropriate balance and to illuminate trade-offs, the Division has begun an extensive modeling effort using Patchworks, a spatially explicit GIS-based sustainable forest management planning model. The Division has started testing some proposed concepts of the Land Allocation approach (Appendix 2).

## B. Conservation Emphasis Areas: Definition and Principles

### Background

The overarching goal of this conservation strategy is to manage for the long-term persistence of the native fish and wildlife species that inhabit Oregon's State Forests. Operationally, this goal is accomplished by maintaining a diverse array of habitats across the landscape through time. Diversity within and among forest stands and other habitats across the landscape fosters resilience of populations to disturbances at various spatial scales. It is this diversity of environments and the resilience of populations that determine the persistence of a species to a changing environment, such as those predicted by climate change.

### Conservation Emphasis Defined

Conservation has intuitive meaning but can be challenging to define. For the purposes of this plan, ODF has adopted the following definition:

*"Conservation is the maintenance of essential ecological processes, preservation of genetic diversity, and sustainable use of species and ecosystems".<sup>1</sup>*

This definition provides a conceptual framework to guide development of strategies that will be applied in both the conservation- and production-emphasis areas to meet conservation objectives. For the uses of this plan conservation-emphasis areas are not exclusive of human activities, but rather will be managed to achieve conservation goals. Likewise, the production-emphasis areas provide habitat that supports a diversity of species.

Three key concepts of the conservation definition are deeply rooted in ecological theory:

1. Maintenance of essential ecological processes. Ecological processes – biological, chemical, and physical – are fundamental characteristics of ecosystems. For example, primary production, microbial decomposition, nitrogen fixation, and soil formation are processes that influence the distribution and abundance of organisms living in a particular place.
2. Preservation of genetic diversity. Fundamental to biology, this is essential for a population to persist in a dynamic environment. It is worth noting that there is no "balance of nature" but an ever changing environment that provides the momentum for natural selection.
3. Sustainable use of species and ecosystems. This concept distinguishes conservation from preservation because it allows for intervention that sustains specific species and associated ecosystems.

Conservation strategies are implemented on three levels of organization: the forest stand (micro-level – 25 to 120 acres), the forest landscape (macro-level – from multiple forest stands to the extent of the forest), and aquatic networks (stream reaches, associated watersheds and wetlands). The forest stand and aquatic networks are the operational scale used in forest management. Forest stands change through time along predictable trajectories, which can be managed to meet conservation and

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<sup>1</sup> Adapted from: International Union for Conservation of Nature and Natural Resources (IUCN). 1980. *World Conservation Strategy: Living Resource Conservation for Sustainable Development*. 77pp.

production goals. Aquatic systems are a reflection of a range of disturbance events and the associated management and protection decisions

### **Conservation Strategies**

Consistent with a Land Allocation Approach, this plan establishes production-emphasis areas and conservation-emphasis areas. This strategy is a long-term commitment to the protection of habitat for fish and wildlife in both areas, as well as maintenance and protection of soil and water resources. Conservation-emphasis areas include areas managed as habitat for ESA-listed species and other state or federal species of concern, and habitats such as riparian forest and wetlands.

Conservation strategies are the suite of management actions that, taken together, provide for the persistence of native species that inhabit the landscape. With this approach, the entire landscape supports this conservation goal, including those stands managed for timber production and areas established for conservation emphasis. For example, a conservation strategy in production-oriented stands is to provide important habitat elements that would otherwise limit the species that occupy or utilize the site. Examples include “legacy” components from the previous stand such as green (i.e. live) trees and standing dead and downed wood. Many species of birds, small mammals, and terrestrial amphibians require such structures and would not be present or productive without them. Concomitant declines in their predators could be expected if management strategies consistently remove them from the landscape or prevent recruitment. Thus retention and recruitment of legacy structures in managed stands is an integral and critical component of a landscape approach to conservation.

Conservation strategies at the landscape scale consider the diversity, size, and arrangement of habitats required for the persistence of native species. Young stands and associated early-seral characteristics are important for diverse game and non-game species including many of state and/or federal species of concern. Older stands on the landscape foster a variety of late-seral associates, such as northern spotted owls, marbled murrelets, and red tree voles. Forests in mid-seral stages (e.g. 30 – 80 years old) provide habitat for most native forest species, including early- and late-seral associates, and enhance broader landscape function. Additional variation in stand composition and structure due to stand development, management history, site productivity, topography, region, and numerous other factors contributes to diversity across spatial scales. Riparian areas, wetlands, and unique habitats (e.g. talus slopes) add to diversity and thus also to broader ecological function and associated resilience.

Designation of some lands for production will change over time as circumstances change on the landscape. As conservation areas are established in production-emphasis areas in response to, for example, a newly occupied site of a federally listed species, other areas that are no longer occupied or where conservation status is no longer warranted or needed it may be re-designated as production-emphasis areas to ensure financial viability goals are met over time and maximize conservation.

### **Principles for Establishing and Managing Conservation-Emphasis Areas**

The allocation, durability, and management of conservation emphasis areas will be directed through policy decisions. The durability of conservation and production areas are described later in the paper.

- Designated conservation-emphasis areas distinguish portions of the landscape where the primary purpose of forest management activities is to maintain ecosystem functions. These areas should include the majority of habitat that is required to achieve clean water standards,

comply with endangered species act and meet habitat requirements for native fish and wildlife. Timber harvest and other management activities will be conducted in these areas to restore or maintain ecosystem functions.

- Conservation strategies above identify appropriate passive and active practices for each area, including any allocations where only passive management is employed, and where active management is used to create or maintain stand structures and successional stages to achieve intended trajectories.
- Conservation strategies above identify primary and secondary management applications that would occur for each conservation-emphasis area.
- Conservation strategies above identify areas with high conservation value to restore, maintain, and protect unique resources.
- If necessary, both the conservation- and production-emphasis areas will be modified to maximize conservation benefits, respond to disturbance events, and reflect new information. Such changes would be made using transparent methods through the forest planning process.

### **Implementation**

Implementing strategies in conservation-emphasis areas will consider the diversity, size, and arrangement of habitats and species across the landscape and over time. Management within conservation areas will occur to support ecological goals.

Implementation will be considered at the stand-, aquatic network-, district- and planning-area scales. The approach will efficiently and effectively promote benefits for native fish and wildlife. A likely scenario may include but is not limited to:

- Maintain habitat for ESA listed species (e.g. northern spotted owl and marbled murrelets) and other species of concern.
- Maintain all existing old growth trees (same as current FMP, or approximately 175-250 years of age) and stands.
- Retain green trees in harvest units and maintain or create snags and downed wood.
- Establish riparian buffers to provide for a range of riparian and watershed functions, and to meet the federal clean water act as administered by the State Department of Environmental Quality.
- Establish and maintain protection areas to address landslide prone and debris flow prone areas.

The intent of these scenarios is to meet the conservation-emphasis goals and strategies.

### **Measures of Success**

Broad-scale measures that evaluate the conservation-emphasis area's success in meeting or exceeding current conservation objectives:

- Promote diverse stand types (ages, seral stages, composition, structural elements etc.) and habitats across spatial and temporal scales to foster and enhance resilient systems and landscapes and diverse wildlife and fish communities.
- Maintain, enhance, and restore native wildlife communities to promote ecosystem resilience and adaptation.
- Provide landscape level configurations of habitat that benefit multiple native wildlife species.
- Maintain riparian networks across the landscape, which serve as migration corridors for aquatic and terrestrial organisms and pathways for nutrients and organic matter.
- Promote the development of mature riparian forests capable of delivering large wood and other organic material to streams.
- Maintain water quality standards for water temperature and turbidity.

DRAFT

## **C. Production-Emphasis Areas: Definition and Principles**

### **Background**

The GPV mandate directs State Forests to manage for social, economic, and environmental benefits to provide both sustainable and predictable revenue from forest products and long-term conservation of fish and wildlife habitats. Coupled with a conservation approach, managing a percentage of each district's land base for timber production has the potential to more efficiently and effectively produce greater revenues than with structure-based management or conservation alone.

### **Production Emphasis Defined**

The overarching goal of production-emphasis areas is to provide environmental, social, and economic benefits, with the primary focus on maximizing the volume and value over the entire planning horizon. These areas will be managed in a way that reduces risk of future encumbrances and ensures these areas remain as production-emphasis areas. The production-emphasis areas will still provide conservation-based outcomes through various management strategies represented in the conservation definition and with landscape level strategies that will apply across both emphasis areas.

Production-emphasis areas will be designated where the primary purpose is to achieve long-term sustainable timber production. Such areas should be designed to promote the best silvicultural practices, including regeneration harvest, if appropriate, for each stand type and ecosystem allocation. The design should also minimize, to the extent practicable, environmental impacts and effects on other forest uses. Management for conservation values will occur in production-emphasis areas through landscape level strategies.

### **Current Forest Condition**

Approximately 70% of the land base in State Forest's Northwest Oregon Area is dominated by conifer forest. Before these lands became state forests, large fires killed and logging removed older conifer forests. In the northwest Oregon state forests today, most conifer forests are less than 85 years old. Active management of state forest lands has resulted in a working forest with a multitude of stand types contributing wildlife habitat and harvest opportunities.

Other types of vegetation dominate the remaining acres, including grass, brush, and various species of hardwood trees, such as alder and bigleaf maple.

### **Management Goals of the Production-Emphasis Area**

- Manage the timber resource to provide sustainable and predictable timber harvest which will generate sufficient revenue to support State Forest business operations; provide revenue to counties and local taxing districts; provide revenues to the Common School Fund; and contribute to Oregon's timber supply;
- Promote the maintenance, growth, and development of forest trees and stands through active management, guided by the use of appropriate silvicultural techniques;
- Maximize the value of timber products produced, based on current and future forest condition and customer demands.

## Management Strategies

Apply silvicultural techniques to:

- Promote the growth of trees in a manner designed to attain desired products;
- Manage risks of future encumbrances so that stands in the production-emphasis areas remain available for harvest;
- Manage risk of loss due to insects, disease, fire, and wind throw; and
- Ensure resilience to uncertainty in market demand, climate change, etc.

Silvicultural practices that will be considered for the management of timber include, but are not limited to:

- Regeneration harvests;
- Site preparation/Reforestation
- Young stand management, including pre-commercial thinning, fertilization, herbicide application, mechanical vegetation control, animal damage control;
- Commercial thinning;
- Rehabilitation of underproductive stands (e.g., diseased stands and hardwood dominated stands).

## Implementing the Management Goals

The objective goals and strategies of management is to produce trees in a range of diameter (14"-28" dbh) and age classes (40-80 years old). This product range allows for flexibility in producing a mixture of products for future markets, the ability to capitalize on high points in market conditions, and maintain production-emphasis area acres by reducing the risk of future encumbrances. Targeting the envisioned range of products will provide the Department and the counties with the most revenue over the next rotation of trees on the landscape. This is accomplished by maximizing volume and revenue produced while minimizing T&E risks.

It is important to note that given the current forest condition larger and older trees will be harvested in the production-emphasis areas in the near-term to bring the production-emphasis area in line with the policy and management goals.

Management in the production-emphasis areas will be based on a combination of district- and stand-specific silvicultural pathways that target diameter ranges and a range of ages. A likely scenario would be:

- Regeneration harvest;
- Intensive mechanical and/or chemical site preparation as necessary;
- Site appropriate planting densities and species;

- Competing vegetation release treatments if needed;
- Pre-commercial thinning where necessary, especially districts with significant hemlock component;
- Evaluate fertilization opportunities where appropriate;
- Commercial thinning dependent on stocking, past treatments, stand condition.

The silvicultural treatments used will be determined on a stand-by-stand basis using stand-specific attributes and financial evaluation, e.g. Net Present Value or other financial metrics, to achieve the desired results.

This vision of implementation is preliminary and will be informed and modified, if necessary, through modeling the Forest Management Plan and the subsequent Implementation Plans.

### **Measures of Success**

Broad-scale measures that evaluate the production-emphasis area's success in meeting or exceeding current production and revenue objectives:

- Achieve and maintain financial viability;
- Achieve and maintain a balance of acres across age and size classes to produce a sustained yield consistent with Implementation Plan(s) acreage ranges;
- Appropriately match site and species composition with silvicultural prescriptions that promote high volume production;
- Regeneration harvests occur as targeted stand age and size are met;
- Improve the productive potential of all the goods and services desired from production-emphasis areas;
- Generate long term sustainable volume that provides product diversity to meet the needs of future markets.

### **D. Durability and the Land-Allocation Management Approach**

#### **Maintaining Conservation and Production Emphasis areas over time**

The principles and strategies above provide the basis for the allocation of conservation and production emphasis areas across State Forests and the durability of those areas over time and across the landscape. The benefits of durability will be housed in the Forest Management Plan. Following these principles and assumptions the intent is to maintain approximately 30% of the landscape designated for conservation emphasis and 70% for production emphasis. As conditions change or information improves, there may be adjustments but the intent is to maintain the ratio over time. Examples of how adjustments may occur are illustrated below:

- New threatened and endangered species site is found in the production zone. In order to respond to this information, some of the production emphasis area would need to be

reallocated to conservation and some of the conservation emphasis areas would need to be reallocated to production.

- Possible areas that we may be able to move back into production are areas that were once thought inoperable, but with further in depth review are found to be operable, or the assumed conservation benefits are not provided by the area.
- As streams are surveyed to verify fish distribution conservation strategies associated with streams would be adjusted.

The changes described above would be made using transparent methods through the forest planning process.

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## **E. Social Implications of a Land-Allocation Management Approach**

### **Background**

Oregon's rich natural resources fueled the state's economy for generations. In recent years, high technology has assumed the role previously played by forest products, but forests, farms and ranches, retail trade, and tourism are significant elements of the state's economic profile.

During the past two decades, Oregon made the transition from a resource based economy to a more mixed manufacturing and marketing economy, with an emphasis on high technology. Oregon's hard times of the early 1980s signaled basic changes had occurred in traditional resource sectors – timber, fishing and agriculture – and the state worked to develop new economic sectors to replace older ones. Most important, perhaps, was the state's growing high-tech sector, centered in the three counties around Portland. However, rural Oregon counties were generally left out of any shift to a new economy.

Oregon's state forests contribute to the traditional resource economy by providing raw material for the region's mills and wood products infrastructure. The forests also support recreation and environmental benefits for all Oregonians, including the high tech sector located near the Tillamook and Clatsop State Forests.

Specifically, in Tillamook and Clatsop counties, there are an estimated 1,960 people employed in the forest sector. This is approximately five percent of all employment for the two counties (results from 2012 IMPLAN data, does not include tourism). Growth rates for Clatsop and Tillamook Counties have been positive since 1990, but slower than Oregon's growth rate. The post-recession growth rates for these two counties have been 0.6 percent and 0.3 percent, respectively, far below the average Oregon 2.6 percent post-recession growth-rate (US Census Bureau).

Among its findings, the Financial Viability Workgroup concluded that further reductions in the program would reduce abilities to meet critical business functions and that the Division should pursue ways to create revenue from current unfunded mandates and services that flow from State Forests. The subcommittee made several recommendations in June, 2013, to the Board, including proceeding on the assessment of alternative Forest Management Plans and the assessment of alternative revenue sources for State Forests. The following discussion underscores the importance of a financially viable State Forests Division to provide the broad range of goods and services stakeholders have come to expect. In addition, the Division will not have to rely on general funds from the legislation, which is not reliable from biennium to biennium, and the Division would be in a position to fully implement the revised Forest Management Plan through generated reliable revenue flow.

### **Conservation-Emphasis Areas**

A split between Conservation- and Production-Emphasis Areas will not be discreet or singular, since there will be conservation values on production lands and production values on conservation lands.

Recreation on State Forest lands contributes considerably to the economic health of the local counties. In recent years, activities such as camping, biking, and off-highway vehicle use have been increasing in intensity on State Forest lands in Northwest Oregon. From 2009 to 2014, camping at the designated campgrounds has increased by 50%. In that same period, the Clatsop State Forest has averaged 13,995 visitors annually, generating an average of \$44,156 in revenues to Clatsop County and the Department.

The Tillamook Forest Center, opened in 2006, hosted an average of approximately 47,000 visitors annually from 2006 - 2013. The Center focuses on education and interpretation of the history of the Tillamook State Forest, the Tillamook burn, and forest management. It hosted an average of approximately 6,000 participants in education programs and another 6,000 in interpretive programs in that same time period. It has a gift shop and takes donations to support the Tillamook State Forest Heritage Trust. Retail sales at the Center average approximately \$68,000 annually. Visitation, spending, and donations all have been increasing steadily since the Center opened.

Visitors to the Oregon coast also play an important role in the economies of both Tillamook and Clatsop Counties, but most visitors are not participating in activities on state forests. Many activities are beach or resort-related and may only indirectly affect recreation supply and demand relationships on the Tillamook and Clatsop State Forests.

Recreation opportunities on state forest lands bolster the local tourism industry, resulting in direct economic effects such as fishing- or hunting-guide jobs, as well as, indirect and induced economic impacts as workers spend their paychecks. As with timber management, recreation impacts ripple through the economy, including effects on employment, personal income, taxes, and revenues returned to schools, counties, and local governments. Recreation opportunities can also provide a significant amenity value, and may assist in attracting professionals in medical, tech-related, and other desirable fields to the region.

Establishment of conservation-emphasis areas will provide visible conservation areas with durable strategies for achieving conservation. These strategies address goals for protecting, maintaining, or restoring habitat, and a range of conservation for native fish and wildlife. These represent social values of the conservation community.

#### **Production-Emphasis Areas**

Approximately seventy percent of northwest Oregon state forests are found in Clatsop and Tillamook Counties. These two counties have had relatively weak economic growth compared with most counties in the Willamette Valley, and this trend could continue. The economies of both Clatsop and Tillamook Counties have become less dependent on manufacturing industries, such as the lumber and wood products industry, and more dependent on service industries and non-earned income, such as transfer payments and investments. Transfer payments include all payments from retirement and social welfare programs, such as Social Security, pensions, disability payments, unemployment insurance, and public assistance.

Timber sales to lumber and other wood products mills have historically been the primary commodity output sold from state forests in northwest Oregon. In 2013, 28 percent of timber harvested in Clatsop County originated on state lands. In Tillamook County, 41 percent of the timber harvested in 2013 originated on state lands (Oregon Department of Forestry, Timber Harvest Report).

Logging and other timber management activities provide direct social benefits such as logging and tree-planting jobs, and also indirect and induced benefits when timber industries buy supplies and workers spend their paychecks. Timber management activities on northwest Oregon state forests ripple through the economy. Their economic impacts include effects on employment, personal income, taxes, and revenues returned to schools, counties, and local governments. Lumber and wood products

employment remains significant in both counties, generating approximately 13 percent of the personal income in both counties (2012 IMPLAN data).

State forest timber harvests also affect tax receipts and government expenditures. Almost all of the revenue generated from northwest Oregon state forests comes from timber harvest. Most timber harvesting revenues come from Board of Forestry Lands rather than from Common School Lands, but the proportions vary. From 1994 through the first half of 2013, 76 percent of stumpage revenues generated in northwest Oregon state forests came from Board of Forestry Lands (Oregon Department of Forestry, Forest Revenues data). Revenues from Board of Forestry Lands are distributed according to a multi-step distribution formula in which 36.25 percent of the revenues are distributed to the Department of Forestry for management and fire protection expenses, and the remainder to the counties where the timber was harvested. The counties pass along most of their share to school districts within the counties, offsetting the need for General Fund appropriations. Revenues from State Forest timber harvests reduce the statewide expenditure from the General Fund on education. Revenues from the Common School Lands are distributed to the Common School Fund, with the Department of Forestry being reimbursed for management expenses.

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Appendix 1: Financial Viability Worksheet

Projected Costs and Current Plan Revenue 2017-2021		Projected additional cost FULL IMPLEMENTATION Land Allocation Approach						Total ODF Revenue Needed									
5 Yr avg total cost	(\$37,118,940)	5 Yr Avg of projected revenue	\$30,987,357	Avg Projected Revenue minus avg total cost	(\$6,131,583)	District and Salem Staffing Shortage plus S&S	\$0	Research and Monitoring (3% of Budget)	\$1,117,319	Forest Investments	\$1,100,000	Recreation (10% of Budget)	\$3,724,398	Total projected new expenditures	(\$3,372,530)	Total ODF Revenue Needed	(\$9,504,113)
						Projected costs for full implementation	\$1,121,018		\$1,117,319		\$1,100,000		\$3,724,398				
						Current expenditures	\$0		(\$331,678)		\$0		(\$3,358,528)				
						Projected new expenditures	\$1,121,018		\$785,641		\$1,100,000		\$365,870				
Projected Costs and Current Plan Revenue 2017-2021		Projected additional cost BASELINE IMPLEMENTATION Land Allocation Approach						Total ODF Revenue Needed									
5 Yr avg total cost	(\$37,118,940)	5 Yr Avg of projected revenue	\$30,987,357	Avg Projected Revenue minus avg total cost	(\$6,131,583)	District and Salem Staffing Shortage plus S&S	\$200,000	Research and Monitoring (1.2% of Budget)	\$431,678	Forest Investments	\$600,000	Recreation (9% of Budget)	\$3,358,528	Total projected new expenditures	(\$900,000)	Total ODF Revenue Needed	(\$7,031,583)
						Projected costs for-baseline implementation	\$200,000		\$431,678		\$600,000		\$3,358,528				
						Current expenditures	\$0		(\$331,678)		\$0		(\$3,358,528)				
						Projected new expenditures	\$200,000		\$100,000		\$600,000		\$0				

Draft Estimate February 2015

## Appendix 2: Draft Modeling Scenarios (January, 2015)

The Division has begun an extensive modeling effort using Patchworks, a spatially explicit GIS-based sustainable forest management planning model. The Division has started testing some proposed concepts of the Land Allocation approach. To do this, there are many required assumptions for the model in initial runs. Some assumptions are driven by legal constraints (e.g. protected areas for ESA-listed species), others by policy decisions (e.g. to meet GPV). Current model implementation is listed below. Implementation will change as policy decisions are recommended and made by the BOF. Also field staff will conduct model-solution reviews to verify operational implementation.

### Model Assumptions

Initial draft assumptions for the Harvest Scheduler Model can be grouped into a few basic categories:

#### GIS information

- Riparian Buffers – currently no entry (regen or thinning) allowed.
  - 115 ft. on Type F streams
  - 30-35 feet on perennial seasonal and debris-flow prone Type N streams.
- Marbled Murrelet Management Areas (MMMA) – no entry (regen or thin) allowed, except for light thinning in MMMA buffers
- Northern Spotted Owl (NSO) Circles – Any stand at least 50 - 75 years old is currently defined as NSO habitat.
  - A minimum of 40% total acres in an outer circle (1.5 mile radius from activity center) must be classified as NSO habitat.
  - A minimum of 50% total acres in an inner circle (0.7 mile radius from activity center) must be classified as NSO habitat.
- High Landslide Hazard Locations (HLHL) – for current model implementation, if over 50% of a harvest unit is determined to be high risk, then the entire unit is off-limits to harvest. On Tillamook district, the threshold was lowered from 50% to 35%.
- Inner Gorges – no harvest allowed
- Approximate Harvest Unit Locations – combination of district input and past contract work conducted by Logging Engineering International (LEI).
- Stand Level Inventory Spatial Locations

#### Growth and Yield curves from SLI measured stands, including allowable thinning combinations

- Uses imputed stand values for unmeasured stands

#### Cost/revenue inputs (Stumpage, or net revenue, is estimated as pond value minus harvest/transportation costs)

- Estimated gross revenue (from pond value estimate and projection)
- Timber harvest costs (varies between units by harvest type, harvest unit configuration, stand conditions)
- Transportation costs
  - Fixed costs – road upgrade, road construction, spur costs
  - Variable costs – hauling/transport, road maintenance cost
- Net Revenue equals Estimated gross revenue minus timber harvest costs minus transportation costs

### **Model Outputs**

All outputs with annual estimates use a periodic (5 year) average. Some of the outputs that will be available from the model currently include:

- Projected total inventory (MMBF) over the planning horizon.
- Projected total harvest level (MMBF/year) over the planning horizon.
- Estimated net revenue (\$/year) over the planning horizon – subject to inputs.
- Harvest level by district and county (MMBF/year) over the planning horizon.
- Estimated revenue by district and county (\$/year) over the planning horizon.
- Amount of LYR and OFS structure on the landscape over the planning horizon.
- Estimated amount of harvest within NSO circles and MMMA buffers (MBF/year)
- A set amount of area that is unavailable for harvest (to comply with legal obligations or operable constraints)

Information not currently included in model output reports, but available if desired, include:

- Estimate of snags/acre
- Estimate of down wood/acre

### **Model Scenarios**

The initial scenarios are designed to address the following questions:

- What is the maximum non-declining even-flow (~0% variation) timber harvest over a 150-year planning horizon, given the current set of assumptions and input data (including all listed above), and with a minimum net revenue across the entire planning horizon?

At this point, the model is being validated by the modeler in Salem and field staff to answer two primary questions:

- Does the model properly use all input data, and does it follow all of the applicable assumptions/rules?
- Does the model violate any limitations identified by district experts, and if so, are these violations significant across the landscape? If significant, how should assumptions and rules be modified to more closely conform to operational/tactical limitations?
- What is the size, distribution, and cumulative acres of the conservation-emphasis areas?

Following these initial checks, the model can be used to determine outcomes based on varied inputs.

There are three basic strategic scenarios that will be directly compared, in order to consider a broad decision space. In these comparisons, key quantitative metrics will be compared (e.g., timber harvest level, relative estimates of net revenue, and average stand age).

1. Land Allocation (LA) – the proposed strategic plan.
2. Structure Based Management (SBM) – the existing strategic plan.
3. Forest Practices Act (FPA) – a theoretical scenario that models a timber harvest plan. This scenario has been modeled in past modeling revisions, including the H&H model.
  - LA to SBM – This comparison will be made to compare key outcomes between these two high-level strategies. This comparison will (in part) address the question of whether LA increases financial viability and conservation outcomes compared to SBM.
  - LA to FPA – This comparison is made for several reasons, including (i) it shows the effect of LA restrictions on harvest levels if LA constraints are not included, (ii) it provides an endpoint for sustainable harvest levels while meeting minimal legal constraints.

The information presented above represents an initial draft to model the proposed Land Allocation Forest Management Plan. The preliminary factors are intended to model and further refine production and conservation components of the revised FMP. These factors will, in part, support the evaluation of what is likely needed to create a financially viable FMP that meets conservation goals. The information is used to represent production and conservation as well as implications for forest health and the Division's contributions to rural communities. If financial trends change sufficiently and the Division is able to reinvest in the State Forests Monitoring program, some of the information can also be used to inform implementation and effectiveness of the new plan. This modeling effort will demonstrate how the FMP influences or is influenced by fiscal, conservation, and social trends.



## Budget themes and highlights

### Wildfire protection in forests and rangelands

- **Providing contract air tankers, helicopters and other resources** to position around the state when and where fire danger is most severe.
- **Protecting rangeland, including sage grouse habitat, from fire** — key considerations in enhancing rural economic vitality.

### Bridge funding for state forests

- **Supporting recreation, education, research and other projects** in Northwest Oregon's state-owned forests, pending development of a new forest management plan that makes the State Forests program financially viable and improves conservation outcomes.

### Continued progress on federal forest management and restoration

- **Building on work with many partners** to help restore forest health, reduce fire risk, and revitalize rural economies.

### Providing essential administrative capacity

- **Addressing gaps in core business systems and functions**, including procurement, human resources, finance and accounting.
- **Restoring the State Forester's building**, listed on the National Register of Historic Places. Modernizing systems, expanding work space, conducting seismic retrofitting, and addressing deferred maintenance as outlined in a thorough building study.

### Forest Practices Act efficiency and water quality

- **Restoring and augmenting expertise in Forest Practices Act monitoring**, policy and water quality, linking with interagency water quality initiatives.
- **Maintaining and enhancing a new system for electronic filing** of notices and permit requests involving harvest and other forest activities.

### Promoting biomass use

- **Promoting markets for material removed during forest and rangeland restoration**, including juniper, increasing those projects' economic viability and creating jobs.

## Bills introduced

**SB 248:** Clarifying authority to deliver logs sold from state forests in pre-sorted, delivered batches, rather than selling a full harvest unit to a single bidder. An opportunity to maximize timber revenue.

**HB 2453:** Makes holding large, commercial events on state-owned forests without a permit a misdemeanor. Improves control over events that can cause resource damage, law enforcement problems and heightened wildfire danger.

**HB 2454:** Adjusts a spending limit to enable the Oregon Forestland Protection Fund, consisting of landowner dollars, to continue to meet its obligations to share large-fire costs as state policy moves toward 50-50 sharing of these costs with the state.

**HB 2455:** A routine bill establishing Forest Products Harvest Tax rates to support administration of the Forest Practices Act, professional education at the Oregon State University College of Forestry, and the college's Forest Research Lab.



# Fact Sheet: House Bill 2453

## Prohibiting unauthorized commercial forest events

**Overview** *Large, unpermitted, commercial social events, such as overnight “rave” parties drawing hundreds of people, have raised serious health, safety, law enforcement and resource damage concerns in state forests, particularly the Clatsop and Tillamook. HB 2453 would make conducting large, commercial events on state forests without proper permitting a Class A misdemeanor.*

### **A history of serious problems**

While most rave parties are single-night events, some are marketed as two- or three-day music festivals. It’s not unusual for these events to draw 300 to 800 people and several hundred vehicles. Law enforcement agencies report an increase in these events in the past five years.

Problems include illegal drug use and other criminal activity, a high likelihood of sexual assault, sanitation concerns, unsafe or intoxicated driving that has caused injuries, dangerous use of fires with high risk of wildfire, and extensive garbage dumping, road and resource damage and vandalism.

At least five rave parties were reported in the Tillamook State Forest in May and June of 2013, requiring joint responses from Tillamook, Clatsop, Columbia and Washington County authorities.

Public safety agencies and the Department of Forestry lack the resources to address these issues.

Most of the events are held outside of the state forest permitting process, which provides a variety of requirements and safeguards. Organizers can collect tens of thousands of dollars in revenue from these events. Under current authority, however, they may pay penalties of \$500 or less.

### **Stronger penalties proposed**

Under HB 2453, holding or promoting events with 20 or more participants or 15 or more vehicles—or events that exceed designated occupancy limits where applicable—without a permit or other agreement, would be a class A misdemeanor. This class carries maximums of one year in prison and a \$6,250 fine. Alternatively, a court could require payment of an amount up to double any gain the activity produced. Criminalizing these activities would allow law enforcement to make arrests and would provide disincentives to event organizers.

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# House Bill 2453

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for State Forestry Department)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Requires organizer to obtain permit from State Forestry Department prior to conducting large commercial event on state forestlands. Creates exceptions. Authorizes department to adopt rules establishing health and safety standards for large commercial events held on state forestlands. Authorizes department to charge permit fees to cover cost of monitoring and enforcement at events. Allows refusal, suspension or revocation of permit under certain circumstances.

Makes event organizer violating permit requirement, or recklessly allowing violation of permit terms and conditions, subject to maximum penalty of one year's imprisonment, \$6,250 fine or twice amount gained by offense, or both imprisonment and assessment of fine or amount.

## A BILL FOR AN ACT

1  
2 Relating to commercial events on state forestlands.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 7 of this 2015 Act:**

5 **(1) "Large commercial event":**

6 **(a) Means a gathering that:**

7 **(A) Has an organizer;**

8 **(B) Is held for the purpose of a shared or common activity or experience;**

9 **(C) Has more than 20 participating individuals or more than 15 motor vehicles of partic-**  
10 **ipating individuals present at any time; and**

11 **(D) Continues or is scheduled to continue for more than 24 hours in any 72-hour period**  
12 **or for more than three consecutive hours.**

13 **(b) Does not mean:**

14 **(A) An outdoor mass gathering regulated under ORS 433.735 to 433.770; or**

15 **(B) A gathering held by arrangement with the State Forestry Department at a perma-**  
16 **nent facility or officially designated area that is designed and equipped for accommodating**  
17 **gatherings of that type and size.**

18 **(2) "Organizer":**

19 **(a) Means a person that organizes, holds or sponsors a gathering having the character-**  
20 **istics described in subsection (1)(a)(B) to (D) of this section and directly or indirectly accepts**  
21 **moneys or other items of value, whether or not resulting in a profit, from one or more per-**  
22 **sons participating or reasonably expected to participate in the gathering in exchange for:**

23 **(A) Admittance;**

24 **(B) Parking;**

25 **(C) The receipt of on-site goods or services;**

26 **(D) The reservation or rental of camping or commercial space;**

27 **(E) Rights to sell on-site goods or services; or**

NOTE: Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in boldfaced type.

1 (F) On-site advertising rights.

2 (b) Does not mean:

3 (A) A person acting in a regular business relationship with, on behalf of or under con-  
4 tract with the department;

5 (B) A person that receives money only from a coapplicant for purposes of obtaining a  
6 permit under section 3 of this 2015 Act; or

7 (C) An individual receiving only hourly wages, commissions or tips for services personally  
8 provided by that individual.

9 **SECTION 2. The Legislative Assembly finds that:**

10 (1) State forestlands are especially vulnerable to the effects of uncontrolled gatherings  
11 of persons at large commercial events; and

12 (2) To avoid detriment to the best interest of the state it is necessary to protect the  
13 health of state forestlands, the viability of state forestlands as a public resource, the well-  
14 being of fish and wildlife and the health and safety of persons on state forestlands through  
15 the establishment of reasonable health and safety standards to mitigate the adverse effects  
16 of large commercial events held on state forestlands.

17 **SECTION 3. (1) An organizer may not organize, hold or sponsor a large commercial event**  
18 **on state forestland unless the organizer holds a large commercial event permit issued by the**  
19 **State Forestry Department.**

20 (2) A permit issued under this section does not entitle an organizer to make any perma-  
21 nent physical alterations to or on state forestland.

22 (3) The department may issue a permit to a person that demonstrates compliance with,  
23 or the ability and willingness to comply with, applicable health and safety standards govern-  
24 ing large commercial events on state forestland. The application shall include all of the fol-  
25 lowing:

26 (a) The name and address of the applicant.

27 (b) A description adequate to allow the department to accurately identify the location of  
28 the proposed event.

29 (c) The dates of the proposed event.

30 (d) Estimated total and peak attendance at the proposed event.

31 (e) Estimated total and peak demand for parking at the proposed event.

32 (f) The nature of the proposed event.

33 (g) Other information the department deems appropriate in order to ensure the identifi-  
34 cation of and compliance with applicable health and safety standards.

35 (4) Subsection (3) of this section does not require the department to issue a large com-  
36 mercial event permit to a person that has a history of:

37 (a) Acting as an organizer for a gathering without obtaining a required large commercial  
38 event permit; or

39 (b) Violating, or recklessly allowing others to violate, the terms and conditions of a large  
40 commercial event permit issued to the person.

41 (5) The department, with the consent of the permit holder, may amend a large commer-  
42 cial event permit.

43 (6)(a) The department may charge a fee for reviewing and processing an application for  
44 a large commercial event permit. The fee may not exceed an amount reasonably calculated  
45 to reimburse the department for its reasonable and necessary costs in receiving, processing

1 and reviewing applications for permits. An application fee is refundable only if the application  
 2 is withdrawn prior to any review of the application by the department.

3 (b) The department may adopt rules establishing a fee schedule for large commercial  
 4 event permits. The department may establish fees under the schedule in amounts that the  
 5 department deems adequate to fund an effective monitoring and enforcement program for  
 6 large commercial events.

7 (c) The fees established or authorized under this subsection are in addition to any other  
 8 fees or charges authorized by law.

9 **SECTION 4.** (1) The State Forestry Department may adopt rules establishing health and  
 10 safety standards for large commercial events held on state forestlands. The department shall  
 11 consult with the Oregon Health Authority and the Department of Environmental Quality  
 12 prior to establishing health and safety standards under this section. The State Forestry De-  
 13 partment shall design the standards to protect the health of state forestlands, the viability  
 14 of state forestlands as a public resource, the well-being of fish and wildlife and the health  
 15 and safety of persons on state forestlands. The standards may address matters that include,  
 16 but need not be limited to:

- 17 (a) Alcohol consumption;
- 18 (b) Buffer zones between large commercial events and ecologically sensitive areas;
- 19 (c) Crowd and traffic control;
- 20 (d) Fire and flammable material use;
- 21 (e) Insurance and bonding;
- 22 (f) Lighting;
- 23 (g) Noise levels and hours; and
- 24 (h) Sanitation.

25 (2) The department shall include applicable health and safety standards in the terms and  
 26 conditions of any large commercial event permit issued under section 3 of this 2015 Act.

27 **SECTION 5.** The department may suspend or revoke a large commercial event permit if:

28 (1) An emergency, significant law enforcement problem, substantial threat to public  
 29 safety or welfare or substantial threat to public property arises from, or is likely to affect,  
 30 event activities; or

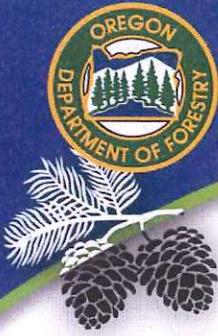
31 (2) The department discovers that a violation of permit terms and conditions has oc-  
 32 curred.

33 **SECTION 6.** An organizer may not recklessly allow a person to violate the terms and  
 34 conditions of a large commercial event permit held by the organizer. As used in this section,  
 35 “recklessly” has the meaning given that term in ORS 161.085.

36 **SECTION 7.** An organizer commits a Class A misdemeanor if the organizer:

37 (1) Accepts money or other items of value in an exchange described under section 1 (2)(a)  
 38 of this 2015 Act prior to the issuance of a large commercial event permit required under  
 39 section 3 of this 2015 Act; or

40 (2) Recklessly allows the violation of a term or condition of a large commercial event  
 41 permit issued to the organizer by the State Forestry Department.



# Fact Sheet: Senate Bill 248

## Clarifying authority for log sort sales

**Overview** *The Oregon Department of Forestry (ODF) auctions timber through contracts under which bidders purchase all timber in a harvest unit, and perform all work associated with the harvest. SB 248 would clarify ODF's authority to pursue a different approach in some instances: auctioning delivered logs, sorted by grade or species. This could maximize revenue received for this public resource.*

**Addressing financial challenges** ODF's management of state forests is currently funded almost entirely with timber sale dollars. Revenues are insufficient to cover costs of managing these lands for a broad range of benefits, as required by law. This has forced reductions in recreation, research, thinning and other projects necessary for these forests' long-term health and capacity to provide multiple benefits. Log sort sales have emerged as a possible means of improving the state forest management business model.

**An alternative timber sale approach** ODF currently contracts with a single successful bidder for purchase of all timber in a sale, and the associated harvest work. However, auctioning delivered log sorts to multiple buyers could maximize sale revenue.

Timber sales are generally dominated by one species or grade. This may limit the number of bidders, and produce lower sale prices for timber types other than the dominant one.

Dividing sales could maximize the price for each timber type. Selling by sorts may also increase competition: Buyers interested in a particular log type would be able to bid on the appropriate sort, without buying an entire sale and engaging in all of the work associated with a timber harvest.

**Clarification of law needed** ODF currently has an exemption to the public contracting code for contracts specifically for the sale of timber from lands owned or managed by the Board and Department of Forestry. However, the statutes do not provide clear direction about sale-related activities, including cutting, hauling or sorting of timber, or project-related work, such as road construction.

SB 248 would clarify in ORS 530 and ORS 279A that the contracting code exemption also applies to contracts for these and other similar activities, whether they are contracted separately or in conjunction with a contract for the sale of timber.

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# Senate Bill 248

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor John A. Kitzhaber, M.D., for State Forestry Department)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Authorizes State Forester to enter into and administer contracts for activities necessary or convenient for sales of timber from lands owned or managed by State Board of Forestry or State Forestry Department. Exempts activity contracts from public contracting laws.

Declares emergency, effective July 1, 2015.

## A BILL FOR AN ACT

1  
2 Relating to sales of timber from state lands; amending ORS 279A.025, 279A.050, 530.050 and 530.500;  
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 530.050 is amended to read:

6 530.050. Under the authority and direction of the State Board of Forestry except as otherwise  
7 provided for the sale of forest products, the State Forester shall manage the lands acquired pursuant  
8 to ORS 530.010 to 530.040 so as to secure the greatest permanent value of those lands to the state,  
9 and to that end may:

10 (1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with  
11 persons owning lands within the state in the protection of the lands and enter into all agreements  
12 necessary or convenient for the protection of the lands.

13 (2) Sell forest products from the lands, and execute mining leases and contracts as provided for  
14 in ORS 273.551.

15 (3) Enter into and administer contracts for the sale of timber from lands owned or managed by  
16 the State Board of Forestry and the State Forestry Department.

17 (4) **Enter into and administer contracts for activities necessary or convenient for the sale**  
18 **of timber under subsection (3) of this section, either separately from or in conjunction with**  
19 **contracts for the sale of timber, including but not limited to activities such as timber har-**  
20 **vesting and sorting, transporting, gravel pit development or operation, and road con-**  
21 **struction, maintenance or improvement.**

22 [(4)] (5) Permit the use of the lands for other purposes, including but not limited to forage and  
23 browse for domestic livestock, fish and wildlife environment, landscape effect, protection against  
24 floods and erosion, recreation, and protection of water supplies when, in the opinion of the board,  
25 the use is not detrimental to the best interest of the state.

26 [(5)] (6) Grant easements, permits and licenses over, through and across the lands. The State  
27 Forester may require and collect reasonable fees or charges relating to the location and establish-  
28 ment of easements, permits and licenses granted by the state over the lands. The fees and charges  
29 collected shall be used exclusively for the expenses of locating and establishing the easements,

**NOTE:** Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in boldfaced type.

1 permits and licenses under this subsection and shall be placed in the State Forestry Department  
2 Account.

3        ~~[(6)]~~ (7) Require and collect fees or charges for the use of state forest roads. The fees or charges  
4 collected shall be used exclusively for purposes of maintenance and improvements of the roads and  
5 shall be placed in the State Forestry Department Account.

6        ~~[(7)]~~ (8) Reforest the lands and cooperate with the counties, and with persons owning  
7 timberlands within the state, in the reforestation, and make all agreements necessary or convenient  
8 for the reforestation.

9        ~~[(8)]~~ (9) Require such undertakings as in the opinion of the board are necessary or convenient  
10 to secure performance of any contract entered into under the terms of this section or ORS 273.551.

11        ~~[(9)]~~ (10) Sell rock, sand, gravel, pumice and other such materials from the lands. The sale may  
12 be negotiated without bidding, provided the appraised value of the materials does not exceed \$2,500.

13        ~~[(10)]~~ (11) Enter into agreements, each for not more than 10 years duration, for the production  
14 of minor forest products.

15        ~~[(11)]~~ (12) Establish a forestry carbon offset program to market, register, transfer or sell forestry  
16 carbon offsets. In establishing the program, the forester may:

17        (a) Execute any contracts or agreements necessary to create opportunities for the creation of  
18 forestry carbon offsets; and

19        (b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of  
20 forestry carbon offsets.

21        ~~[(12)]~~ (13) Do all things and make all rules, not inconsistent with law, necessary or convenient  
22 for the management, protection, utilization and conservation of the lands.

23        SECTION 2. ORS 530.500 is amended to read:

24        530.500. In order to accomplish the purposes of ORS 530.490, the State Forester may:

25        (1) Protect the lands from fire, disease and insect pests, cooperate with the counties and with  
26 persons owning lands within the state in the protection of the lands and enter into all agreements  
27 necessary or convenient for the protection of the lands.

28        (2) Enter into and administer contracts for the sale of timber from lands owned or managed by  
29 the State Board of Forestry and the State Forestry Department.

30        **(3) Enter into and administer contracts for activities necessary or convenient for the sale**  
31 **of timber under subsection (2) of this section, either separately from or in conjunction with**  
32 **contracts for the sale of timber, including but not limited to activities such as timber har-**  
33 **vesting and sorting, transporting, gravel pit development or operation, and road con-**  
34 **struction, maintenance or improvement.**

35        ~~[(3)]~~ (4) Permit the use of the lands for other purposes, including but not limited to fish and  
36 wildlife environment, landscape effect, protection against flood and erosion, recreation and pro-  
37 duction and protection of water supplies when the use is not detrimental to the purpose for which  
38 the lands are dedicated.

39        ~~[(4)]~~ (5) Contract with other governmental bodies for the protection of water supplies to facili-  
40 tate the multiple use of publicly owned water supplies for recreational purposes as well as a source  
41 of water for domestic and industrial use.

42        ~~[(5)]~~ (6) Grant permits and licenses on, over and across the lands.

43        ~~[(6)]~~ (7) Reforest the lands and cooperate with persons owning timberlands within the state in  
44 the reforestation, and make all agreements necessary or convenient for the reforestation.

45        ~~[(7)]~~ (8) Establish a forestry carbon offset program to market, register, transfer or sell forestry

1 carbon offsets. In establishing the program, the forester may:

2 (a) Execute any contracts or agreements necessary to create opportunities for the creation of  
3 forestry carbon offsets; and

4 (b) Negotiate prices that are at, or greater than, fair market value for the transfer or sale of  
5 forestry carbon offsets.

6 ~~[(8)]~~ (9) Do all things and make all rules and regulations, not inconsistent with law, necessary  
7 or convenient for the management, protection, utilization and conservation of the lands.

8 ~~[(9)]~~ (10) Require such undertakings as in the opinion of the State Forester are necessary or  
9 convenient to secure performance of any agreement authorized in ORS 530.450 to 530.520.

10 **SECTION 3.** ORS 279A.025 is amended to read:

11 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting  
12 Code applies to all public contracting.

13 (2) The Public Contracting Code does not apply to:

14 (a) Contracts between a contracting agency and:

15 (A) Another contracting agency;

16 (B) The Oregon Health and Science University;

17 (C) A public university listed in ORS 352.002;

18 (D) The Oregon State Bar;

19 (E) A governmental body of another state;

20 (F) The federal government;

21 (G) An American Indian tribe or an agency of an American Indian tribe;

22 (H) A nation, or a governmental body in a nation, other than the United States; or

23 (I) An intergovernmental entity formed between or among:

24 (i) Governmental bodies of this or another state;

25 (ii) The federal government;

26 (iii) An American Indian tribe or an agency of an American Indian tribe;

27 (iv) A nation other than the United States; or

28 (v) A governmental body in a nation other than the United States;

29 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or  
30 other authority for establishing agreements between or among governmental bodies or agencies or  
31 tribal governing bodies or agencies;

32 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and  
33 414.145 for purposes of source selection;

34 (d) Grants;

35 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony  
36 relating to existing or potential litigation or legal matters in which a public body is or may become  
37 interested;

38 (f) Acquisitions or disposals of real property or interest in real property;

39 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
40 lection;

41 (h) Contracts for the procurement or distribution of textbooks;

42 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

43 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,  
44 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

45 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private

1 counsel or special legal assistants;

2 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry  
3 and the State Forestry Department;

4 **(m) Contracts for activities necessary or convenient for the sale of timber under para-**  
5 **graph (L) of this subsection, either separately from or in conjunction with contracts for the**  
6 **sale of timber, including but not limited to activities such as timber harvesting and sorting,**  
7 **transporting, gravel pit development or operation, and road construction, maintenance or**  
8 **improvement;**

9 [(m)] (n) Contracts for forest protection or forest related activities, as described in ORS 477.406,  
10 by the State Forester or the State Board of Forestry;

11 [(n)] (o) Contracts entered into by the Housing and Community Services Department in exer-  
12 cising the department's duties prescribed in ORS chapters 456 and 458, except that the department's  
13 public contracting for goods and services is subject to ORS chapter 279B;

14 [(o)] (p) Contracts entered into by the State Treasurer in exercising the powers of that office  
15 prescribed in ORS chapters 178, 286A, 287A, 289, 293, 294 and 295, including but not limited to in-  
16 vestment contracts and agreements, banking services, clearing house services and collateralization  
17 agreements, bond documents, certificates of participation and other debt repayment agreements, and  
18 any associated contracts, agreements and documents, regardless of whether the obligations that the  
19 contracts, agreements or documents establish are general, special or limited, except that the State  
20 Treasurer's public contracting for goods and services is subject to ORS chapter 279B;

21 [(p)] (q) Contracts, agreements or other documents entered into, issued or established in con-  
22 nection with:

23 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

24 (B) The making of program loans and similar extensions or advances of funds, aid or assistance  
25 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining  
26 activities or programs authorized by law; or

27 (C) The investment of funds by a public body as authorized by law, and other financial trans-  
28 actions of a public body that by their character cannot practically be established under the com-  
29 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

30 [(q)] (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
31 243.275, 243.291, 243.303 and 243.565;

32 [(r)] (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

33 [(s)] (t) Any other public contracting of a public body specifically exempted from the code by  
34 another provision of law.

35 (3) The Public Contracting Code does not apply to the contracting activities of:

36 (a) The Oregon State Lottery Commission;

37 (b) The legislative department;

38 (c) The judicial department;

39 (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to  
40 279.855 and 279A.250 to 279A.290;

41 (e) Oregon Corrections Enterprises;

42 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
43 279A.290;

44 (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

45 (h) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

1 (i) The Oregon Innovation Council;

2 (j) The Oregon Utility Notification Center; or

3 (k) Any other public body specifically exempted from the code by another provision of law.

4 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
5 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-  
6 der ORS 279.835 to 279.855.

7 **SECTION 4.** ORS 279A.050 is amended to read:

8 279A.050. (1)(a) Except as otherwise provided in the Public Contracting Code, a contracting  
9 agency shall exercise all procurement authority in accordance with the provisions of the Public  
10 Contracting Code.

11 (b) When a contracting agency has authority under this section to carry out functions described  
12 in this section, or has authority to make procurements under a provision of law other than the  
13 Public Contracting Code, the contracting agency is not required to exercise that authority in ac-  
14 cordance with the provisions of the code if, under ORS 279A.025, the code does not apply to the  
15 contract or contracting authority.

16 (2) Except as otherwise provided in the Public Contracting Code, for state agencies the Director  
17 of the Oregon Department of Administrative Services has all the authority to carry out the pro-  
18 visions of the Public Contracting Code.

19 (3) Except as otherwise provided in the Public Contracting Code, the Director of Transportation  
20 has all the authority to:

21 (a) Procure or supervise the procurement of all services and personal services to construct, ac-  
22 quire, plan, design, maintain and operate passenger terminal facilities and motor vehicle parking  
23 facilities in connection with any public transportation system in accordance with ORS 184.689 (5);

24 (b) Procure or supervise the procurement of all goods, services, public improvements and per-  
25 sonal services relating to the operation, maintenance or construction of highways, bridges and other  
26 transportation facilities that are subject to the authority of the Department of Transportation; and

27 (c) Establish standards for, prescribe forms for and conduct the prequalification of prospective  
28 bidders on public improvement contracts related to the operation, maintenance or construction of  
29 highways, bridges and other transportation facilities that are subject to the authority of the De-  
30 partment of Transportation.

31 (4) Except as otherwise provided in the Public Contracting Code, the Secretary of State has all  
32 the authority to procure or supervise the procurement of goods, services and personal services re-  
33 lated to programs under the authority of the Secretary of State.

34 (5) Except as otherwise provided in the Public Contracting Code, the State Treasurer has all the  
35 authority to procure or supervise the procurement of goods, services and personal services related  
36 to programs under the authority of the State Treasurer.

37 (6) The state agencies listed in this subsection have all the authority to do the following in ac-  
38 cordance with the Public Contracting Code:

39 (a) The Department of Human Services to procure or supervise the procurement of goods, ser-  
40 vices and personal services under ORS 179.040 for the department's institutions and the procurement  
41 of goods, services and personal services for the construction, demolition, exchange, maintenance,  
42 operation and equipping of housing for the purpose of providing care to individuals with intellectual  
43 disabilities or other developmental disabilities, subject to applicable provisions of ORS 427.335;

44 (b) The Oregon Health Authority to procure or supervise the procurement of goods, services and  
45 personal services under ORS 179.040 and construction materials, equipment and supplies for the

1 authority's institutions and the procurement of goods, services, personal services, construction ma-  
2 terials, equipment and supplies for the construction, demolition, exchange, maintenance, operation  
3 and equipping of housing for persons with chronic mental illness, subject to applicable provisions  
4 of ORS 426.504;

5 (c) The State Department of Fish and Wildlife to procure or supervise the procurement of con-  
6 struction materials, equipment, supplies, services and personal services for public improvements,  
7 public works or ordinary construction described in ORS 279C.320 that is subject to the authority  
8 of the State Department of Fish and Wildlife;

9 (d) The State Parks and Recreation Department to procure or supervise the procurement of all  
10 goods, services, public improvements and personal services relating to state parks;

11 (e) The Oregon Department of Aviation to procure or supervise the procurement of construction  
12 materials, equipment, supplies, services and personal services for public improvements, public works  
13 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
14 Department of Aviation;

15 (f) The Oregon Business Development Department to procure or supervise the procurement of  
16 all goods, services, personal services and public improvements related to its foreign trade offices  
17 operating outside the state;

18 (g) The Housing and Community Services Department to procure or supervise the procurement  
19 of goods, services and personal services as provided in ORS 279A.025 [(2)(n)] (2)(o);

20 (h) The Department of Corrections to procure or supervise the procurement of construction  
21 materials, equipment, supplies, services and personal services for public improvements, public works  
22 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Depart-  
23 ment of Corrections;

24 (i) The Department of Corrections, subject to any applicable provisions of ORS 279A.120,  
25 279A.125, 279A.145 and 283.110 to 283.395, to procure or supervise the procurement of goods, ser-  
26 vices and personal services under ORS 179.040 for its institutions;

27 (j) The Department of Veterans' Affairs to procure or supervise the procurement of real estate  
28 broker and principal real estate broker services related to programs under the department's au-  
29 thority;

30 (k) The Oregon Military Department to procure or supervise the procurement of construction  
31 materials, equipment, supplies, services and personal services for public improvements, public works  
32 or ordinary construction described in ORS 279C.320 that is subject to the authority of the Oregon  
33 Military Department;

34 (L) The Department of Education, subject to any applicable provisions of ORS 329.075, 329.085  
35 and 329.485 and the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat. 1425), to pro-  
36 cure or supervise the procurement of goods, services, personal services and information technology  
37 relating to student assessment; and

38 (m) Any state agency to conduct a procurement when the agency is specifically authorized by  
39 any provision of law other than the Public Contracting Code to enter into a contract.

40 (7) Notwithstanding this section and ORS 279A.140 (1), the Director of the Oregon Department  
41 of Administrative Services has exclusive authority, unless the director delegates this authority, to  
42 procure or supervise the procurement of all price agreements on behalf of the state agencies iden-  
43 tified in subsection (6)(a) to (k) of this section under which more than one state agency may order  
44 goods, services or personal services and, except for contracts procured by the Oregon Health Au-  
45 thority, all state agency information technology contracts. This subsection does not apply to con-

1 tracts under which the contractor delivers to the state agency information technology products or  
2 services incidental to the performance of personal services contracts described in ORS chapter 279C  
3 or construction contracts described in ORS chapter 279C. A state agency identified in subsection (3)  
4 or (6)(a) to (k) of this section may not establish a price agreement or enter into a contract for goods,  
5 services, personal services, construction materials, equipment or supplies without the approval of  
6 the director if the director has established a price agreement for the goods, services or personal  
7 services.

8 **SECTION 5. This 2015 Act being necessary for the immediate preservation of the public**  
9 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
10 **July 1, 2015.**

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