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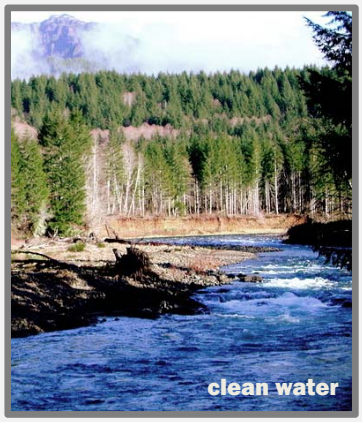
# Oregon Department of Forestry

78th Oregon Legislative Assembly
2015-17 Biennial Budget
Ways and Means Presentation
April 2015



# Presentation Overview

- Overview of Oregon's forests
- ODF and our services to Oregonians
- Budget overview and issues
- A closer look at our key businesses

Oregon Department of Forestry

78th Oregon Legislative Assembly
2015-17 Biennial Budget
Ways and Means Presentation
April 2015

Public investment is important to maintaining our forests
Introductory Comments
7

Wildfire Protection
Controls costs, invests in forest resiliency
Introductory Comments
8

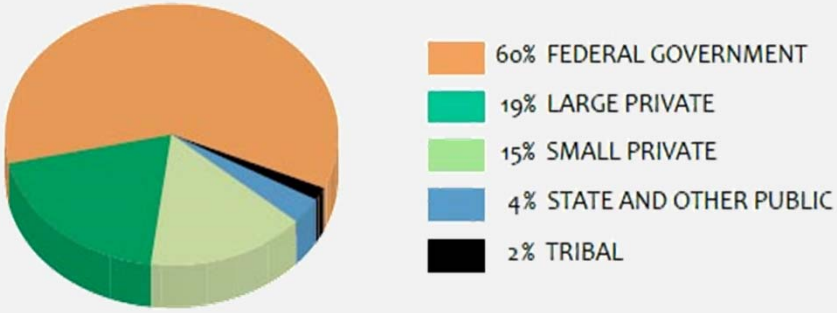
State forest management

Federal forest restoration

# Overview of Oregon's Forests

# Who Owns Oregon's Forests?

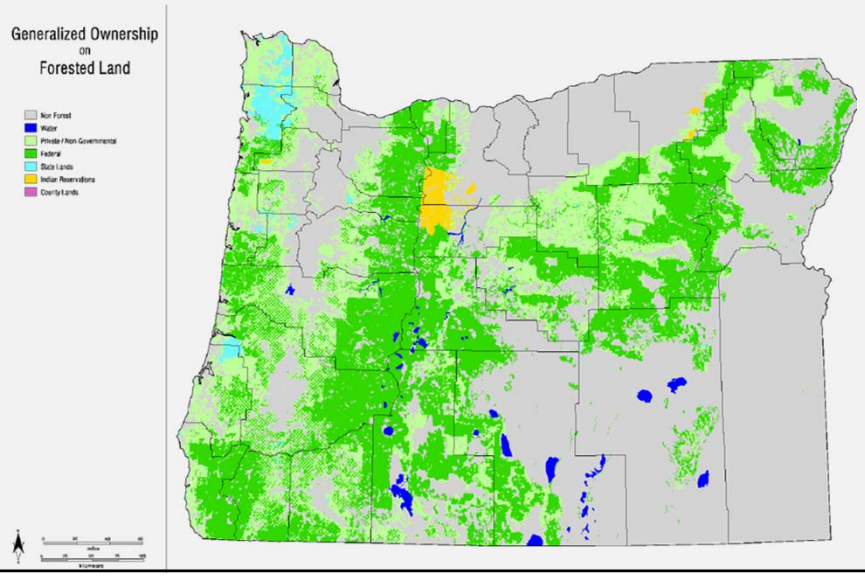
## OREGON FORESTLAND BY OWNER (AS PERCENTAGES)

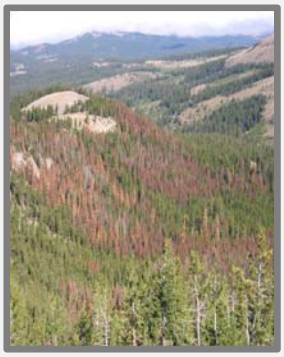


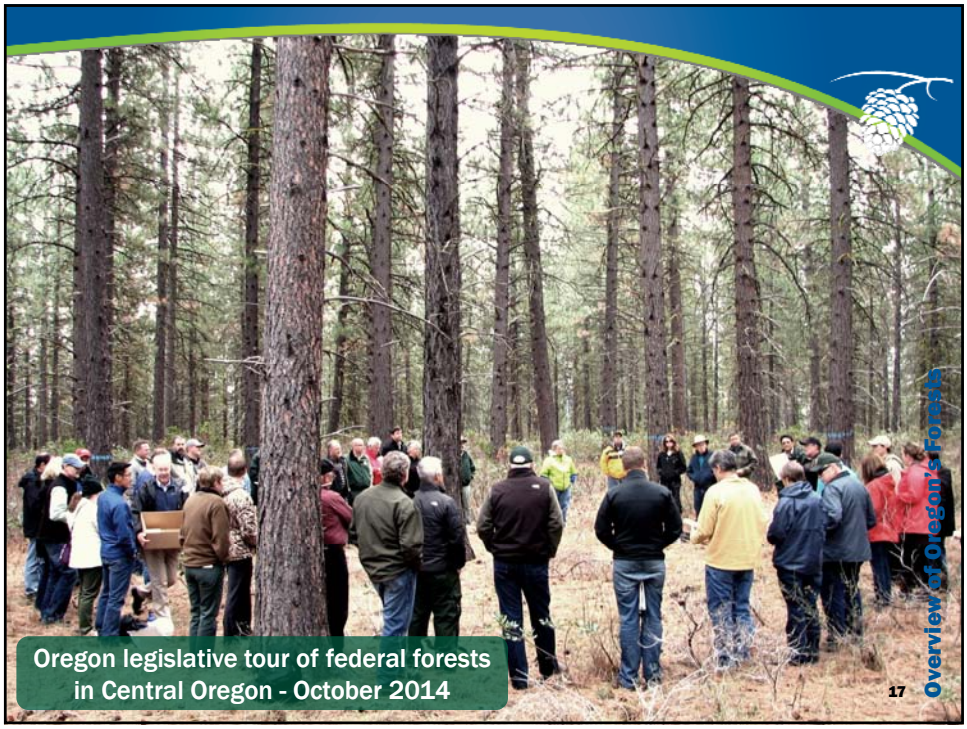
State, tribal and other publicly owned forests
6%
Overview of Oregon's Forests
13

Private forestlands
(large industrial, corporate, and family-owned)
34%
Overview of Oregon's Forests
14

# Federal forestlands







Oregon legislative tour of federal forests in Central Oregon - October 2014

# Oregon's urban forests

# Economic benefits

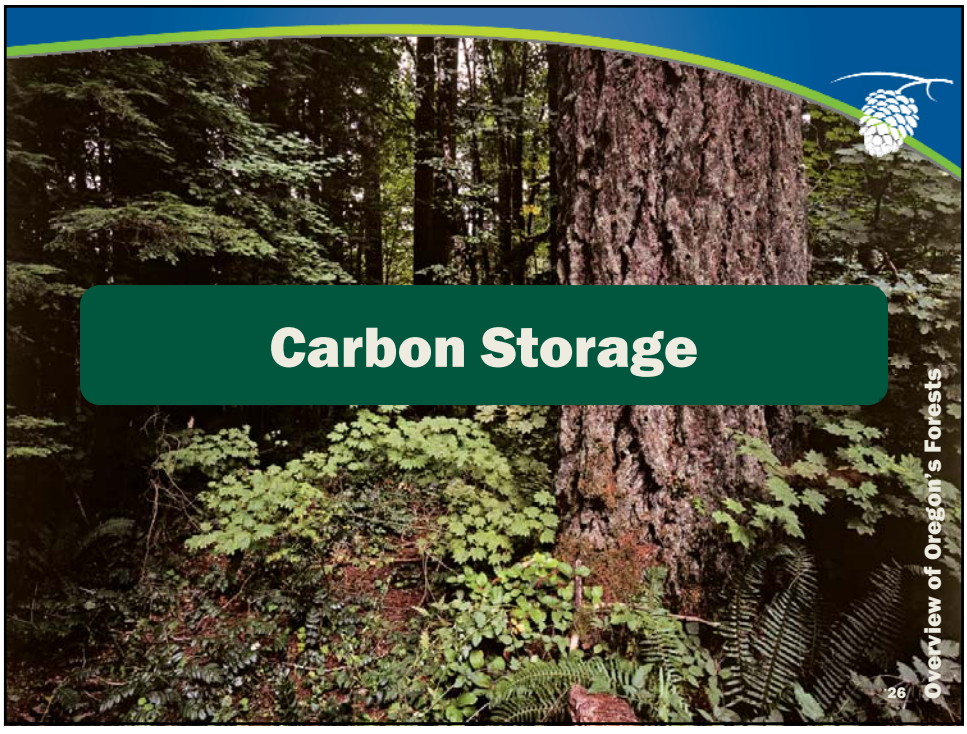
- Jobs and income
- Revenue for public services
- Primary manufacturing
- Benefits to rural communities

# Support for public services

Combined public and private forest revenues to state and local governments: $458 million (2013)

## Wildlife Habitat

# Social Benefits

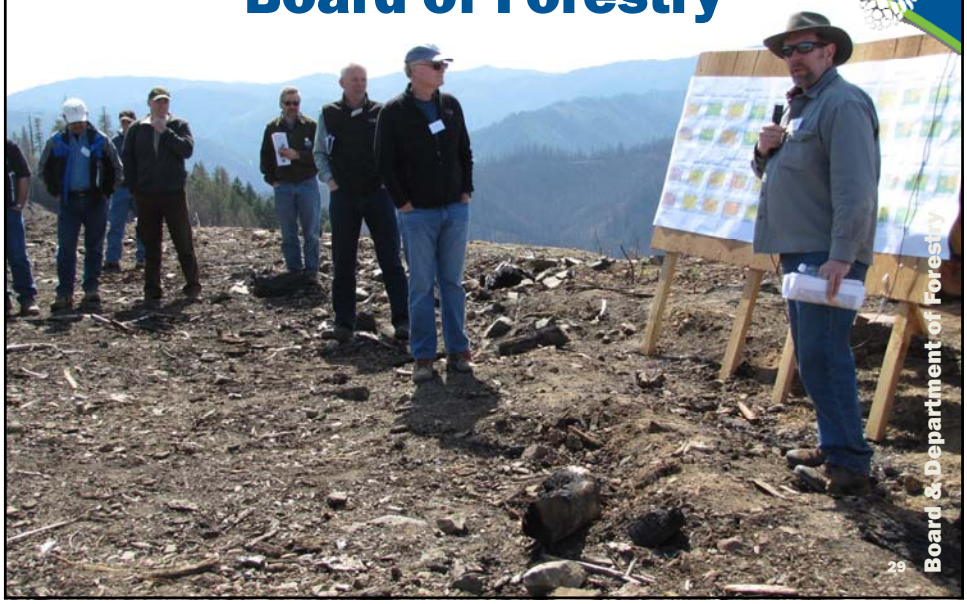


# Carbon Storage

## Community Well-being

# Board and Department of Forestry

# Board of Forestry





# Board of Forestry

Tom Imeson, Chair

Sybil Ackerman-Munson

Nils Christoffersen

Cindy Deacon Williams

Tom Insko

Mike Rose

Gary Springer

Mission
Providing sustainable forestry in Oregon
Board & Department of Forestry
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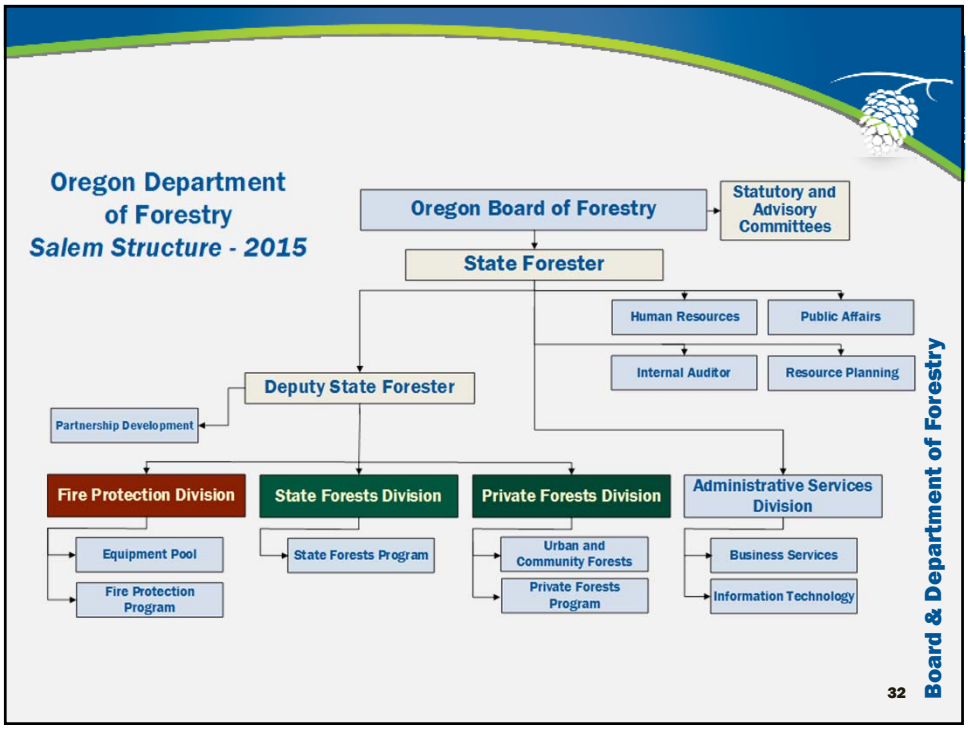
Oregon Department of Forestry
Salem Structure - 2015
Oregon Board of Forestry
Statutory and Advisory Committees
State Forester
Human Resources
Public Affairs
Internal Auditor
Resource Planning
Deputy State Forester
Partnership Development
Fire Protection Division
State Forests Division
Private Forests Division
Administrative Services Division
Equipment Pool
Fire Protection Program
State Forests Program
Urban and Community Forests
Private Forests Program
Business Services
Information Technology
Board & Department of Forestry
32

## Oregon Department of Forestry
### *Field Structure - 2015*

- Oregon Board of Forestry
  - State Forester
    - Deputy State Forester
      - **Northwest Oregon Area**
        - Forest Grove District
        - Astoria District
        - Tillamook District
        - North Cascade District
        - South Fork
        - Tillamook Forest Center
        - West Oregon District
        - JE Schroeder Seed Orchard
      - **Southern Oregon Area**
        - Western Lane District
        - Coos District
        - South Cascade District
        - Southwest Ore. District
        - Coos Forest Protective Association
        - Douglas Forest Protective Association
      - **Eastern Oregon Area**
        - Klamath-Lake District
        - Central Oregon District
        - Northeast Oregon District
        - Walker Range Forest Protective Association

# Direct benefit to Oregonians

Board & Department of Forestry
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OREGON DEPARTMENT OF FORESTRY
GOVERNOR'S BUDGET
38

# Governor's Budget
## by fund type

| | 2015-17 Governor's Budget |
|---|---|
| General Fund | $68,834,256 |
| Lottery Funds | $ 8,574,885 |
| Other Funds | $ 234,928,202 |
| Other Funds (Nonlimited) | $10,000,000 |
| Federal Funds | $31,678,698 |
| **Total Funds** | **$354,016,041** |
| Full-Time Equivalent (FTE) | 887.16 |



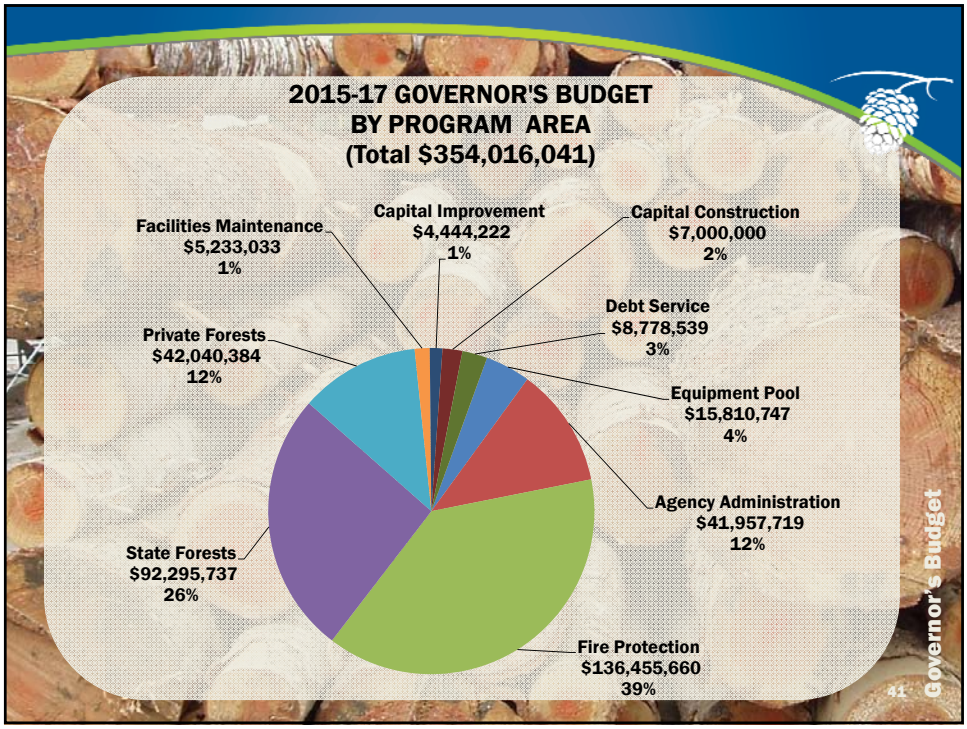
# Major Other Funds and Federal Revenues

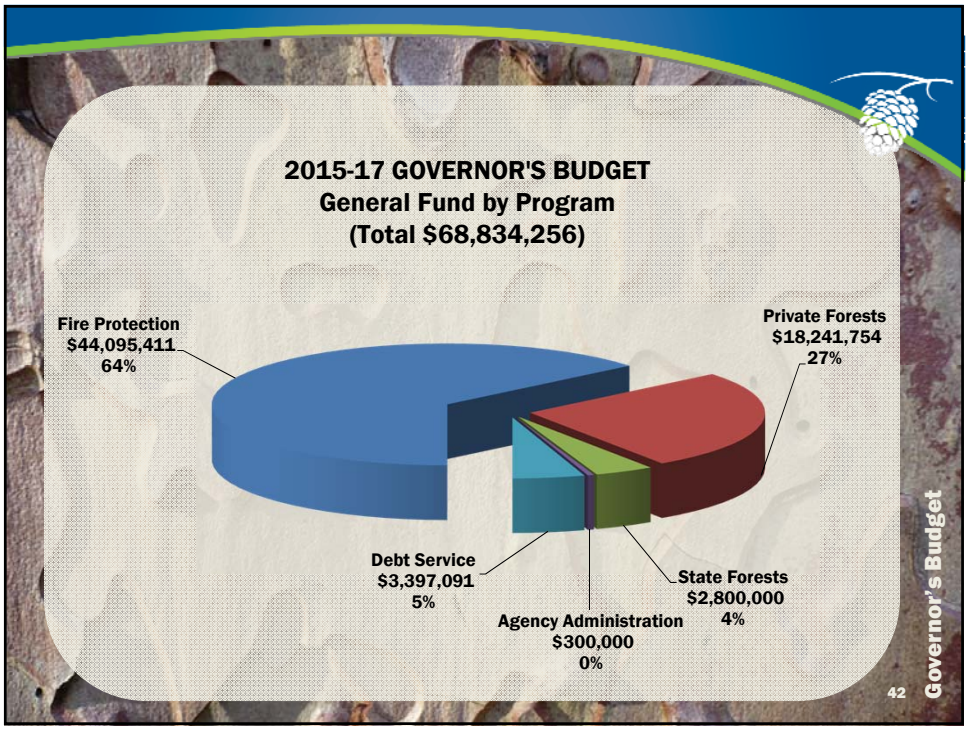
## Major Other Fund Revenues

- Timber sales from state forests
- Fire protection landowner assessments
- Charges for fire protection contracts on federal lands and other services
- Harvest tax paid by all timber harvesters
- Smoke management and slash abatement fees

## Federal Funds

- Grants and reimbursements from the US Forest Service, Bureau of Land Management, FEMA, and other federal agencies


2015-17 GOVERNOR'S BUDGET
BY PROGRAM AREA
(Total $354,016,041)
Facilities Maintenance
$5,233,033
1%
Capital Improvement
$4,444,222
1%
Capital Construction
$7,000,000
2%
Debt Service
$8,778,539
3%
Private Forests
$42,040,384
12%
Equipment Pool
$15,810,747
4%
Agency Administration
$41,957,719
12%
State Forests
$92,295,737
26%
Fire Protection
$136,455,660
39%
41
Governor's Budget

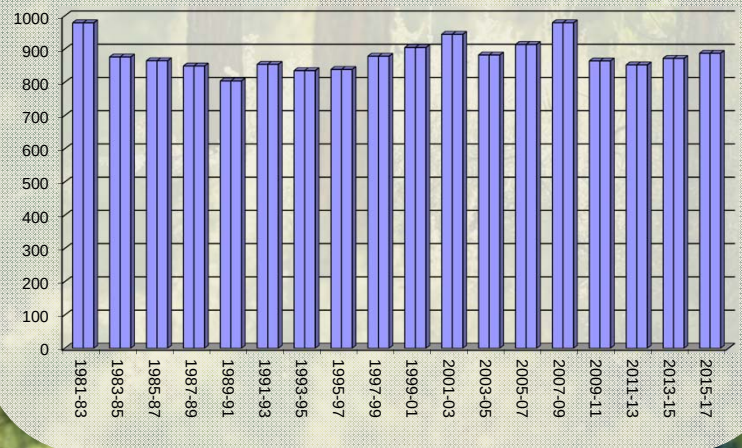

2015-17 GOVERNOR'S BUDGET
General Fund by Program
(Total $68,834,256)
Fire Protection
$44,095,411
64%
Private Forests
$18,241,754
27%
Debt Service
$3,397,091
5%
Agency Administration
$300,000
0%
State Forests
$2,800,000
4%
42
Governor's Budget

# 2015-17 Governor's Budget
## Enhancement packages

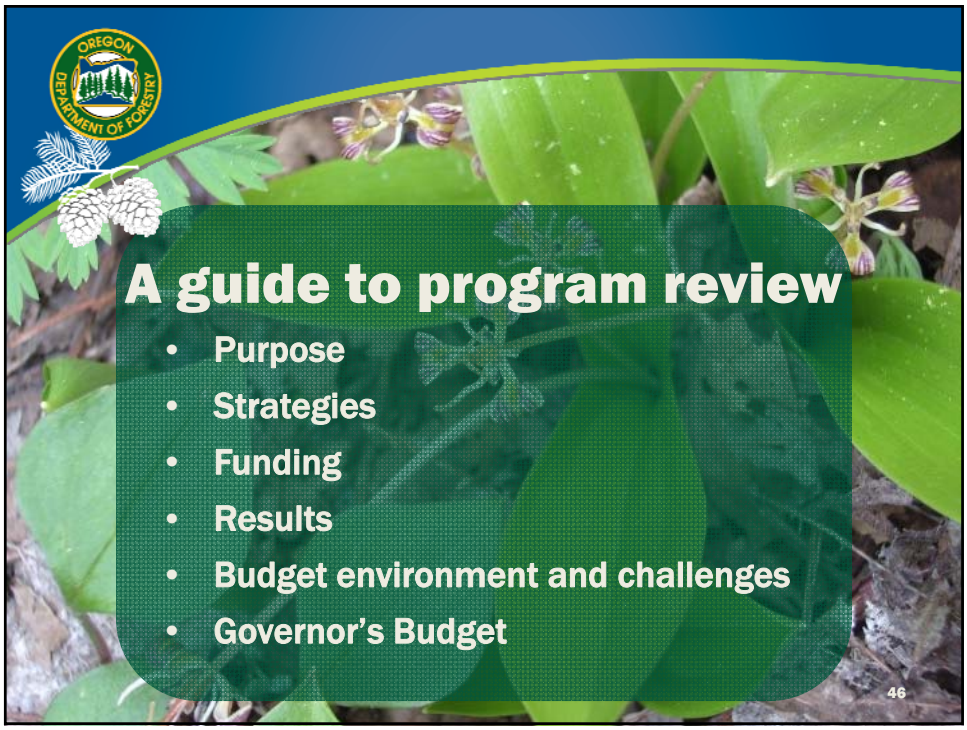
- Special Purpose Appropriation, rangeland protection
- Bridge funding in State Forests Program
- Building capacity in Forest Practices Act administration and water quality
- Continued progress on federal forest management and restoration
- Providing essential administrative capacity
- Restoration of State Forester's Office Building
- Promoting use of forest biomass



FULL TIME EQUIVALENTS (FTE)
1981-2015 LEGISLATIVELY APPROVED FTE
and 2015-17 GOVERNOR'S BUDGET FTE OF 887.16



The bottom line
Public investment is critical:
• To protect forests from fire
• To keep forests healthy and working
• To manage our state-owned forests for many benefits
• To help restore federal forests
45
Governor's Budget


OREGON DEPARTMENT OF FORESTRY
A guide to program review
• Purpose
• Strategies
• Funding
• Results
• Budget environment and challenges
• Governor's Budget
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OREGON
DEPARTMENT OF FORESTRY
FIRE PROTECTION
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Purpose
Protecting forests from fire
OOF FIRE
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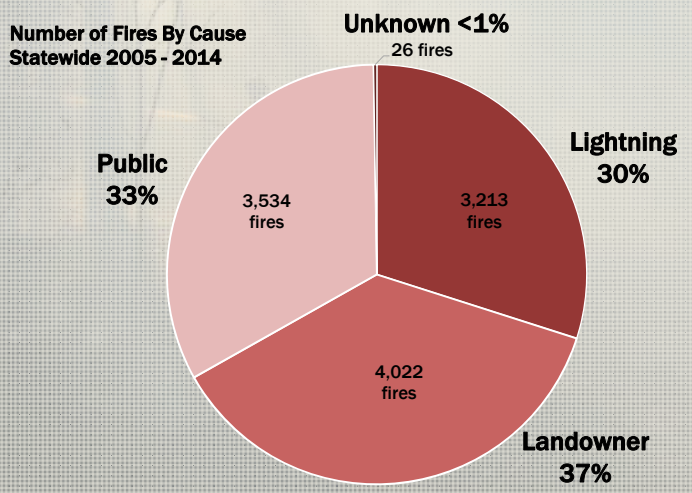
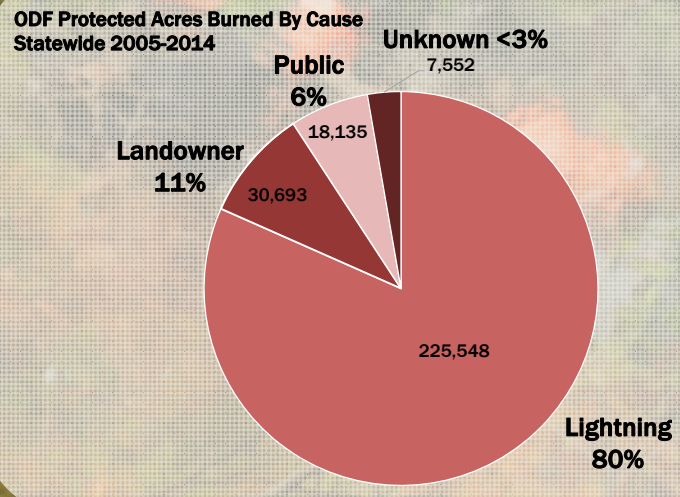
Fire Protection

# ODF Protection Districts

# Number of Fires By Cause



# Acres Burned By Cause





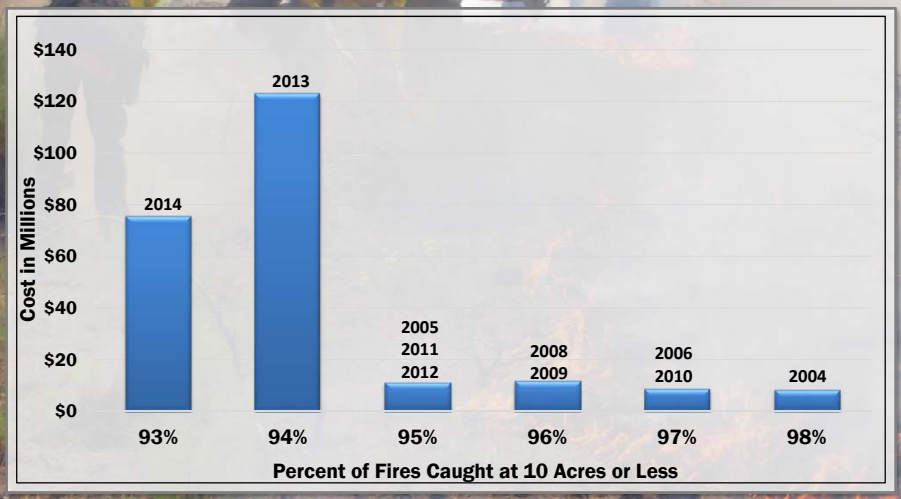

# Strategies

## Suppression

Aggressive initial attack

## Keeping fires small

# Keeping fires small means big savings






# Complete & Coordinated

# Partnerships

# Prevention

# Collaboration, planning and fuels treatments

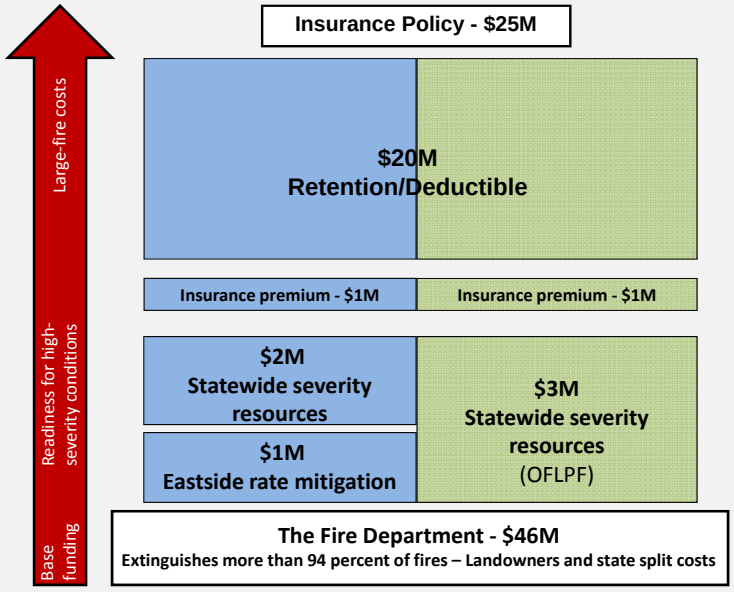
FIRE ADAPTED COMMUNITIES

NATIONAL COHESIVE WILDLAND FIRE MANAGEMENT STRATEGY



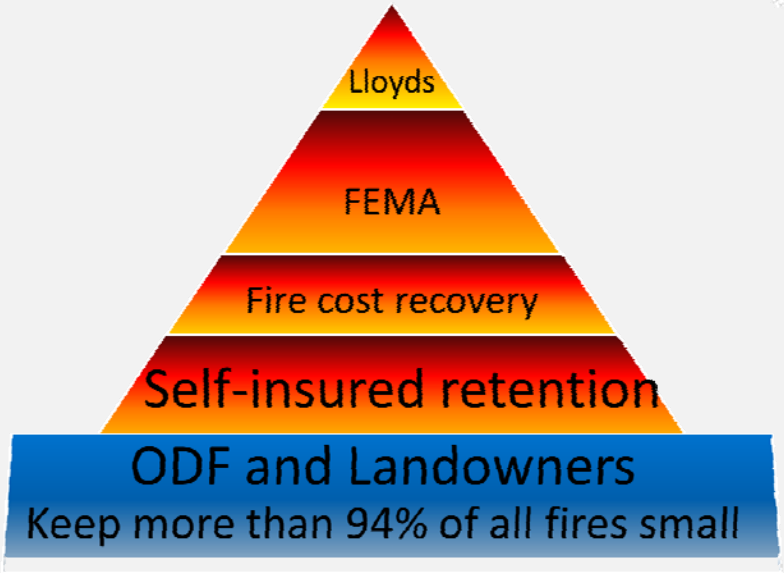
# Funding

## 2014 annual fire protection funding structure



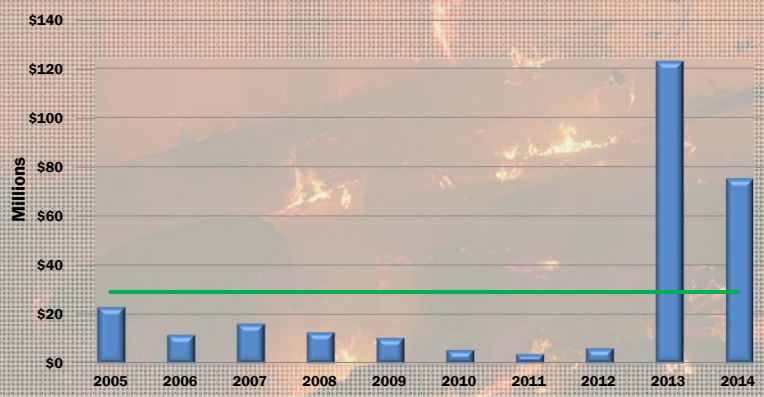



## Funding structure



# Large Fire Costs

Actual Gross Costs. Values are by Calendar Year.
10-Yr Average 2005-2014: $29M






# Budget Environment and Challenges

## The impacts of large fires

Two Bulls Fire

Rowena Fire

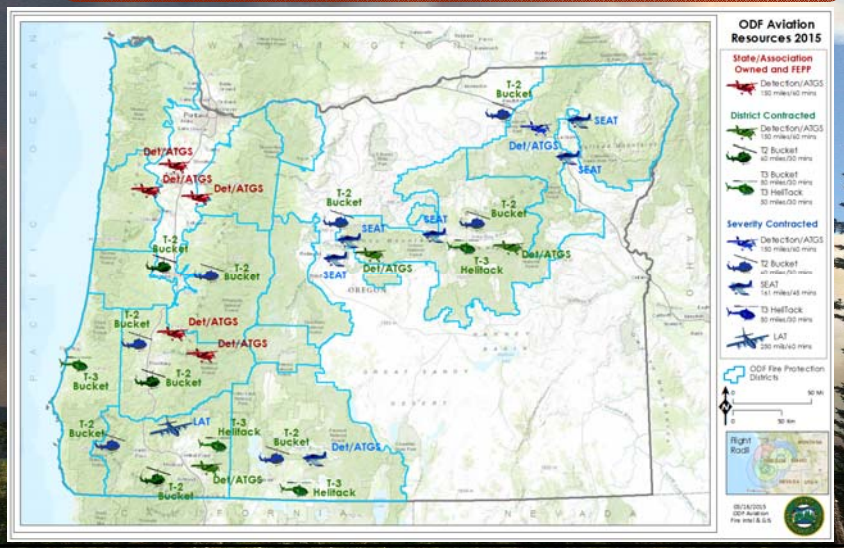
Oregon Gulch

Moccasin Hill Fire

# Wildfire costs and capacity



# Aviation Resources Including "Severity"

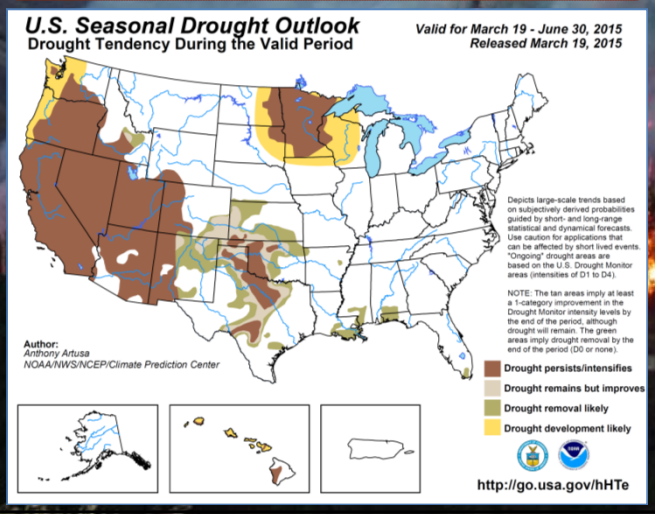


# View from the Field

**John Buckman, Northeast Oregon District Forester**

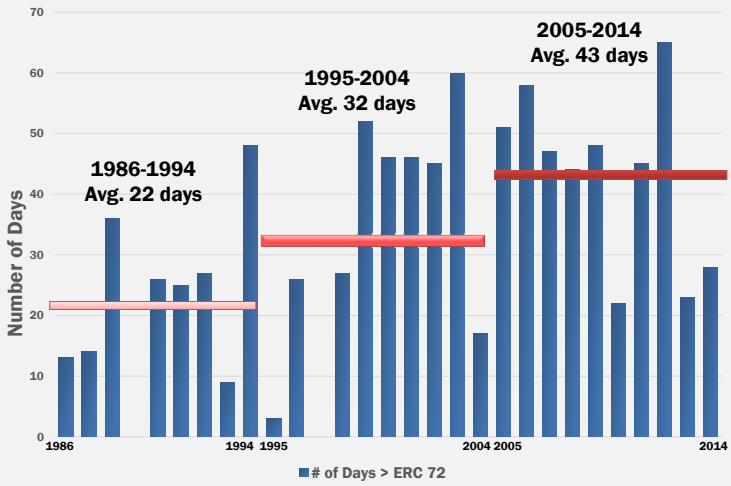
# Business and technology capacity

# Drought and increasing fire season severity



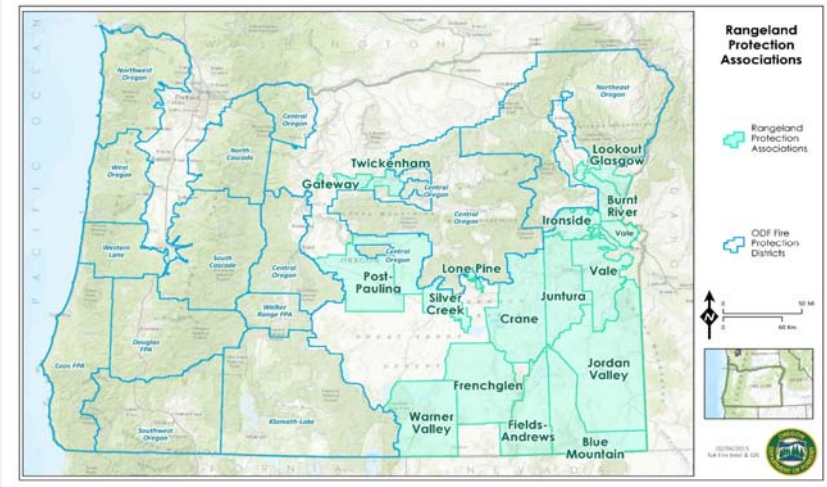



# Drought and increasing fire season severity



# Forest health

# Rangeland Protection Associations



Governor's
Budget
Funds base-level protection, Special Purpose Appropriation and increases rangeland funding
75
Fire Protection

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Fire Protection

Federal Forest Health
Increasing pace and scale
Agency Administration
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Overview
Support collaborative approach
• Grants, technical assistance, science support
State-federal implementation partnership
Agency Administration
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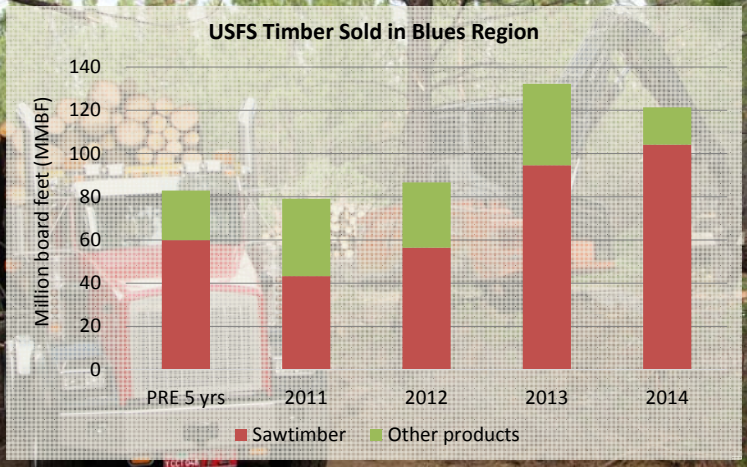
# Results

- **Built partnership:**
  - Seat at table on NFS management
  - Sale layout by ODF employees
- **Leveraged dollars and innovation:**
  - $10 million federal funds
  - Lower Joseph: 4 times size, 1/3 time
- **Reversed economic trendline:**
  - 16% increase in jobs
  - Private sector investment



# Results



2015-17 Program
• Maintain two primary components
• Expand program statewide
• Implement Good Neighbor Agreement
Agency Administration
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OREGON DEPARTMENT OF FORESTRY
AGENCY ADMINISTRATION
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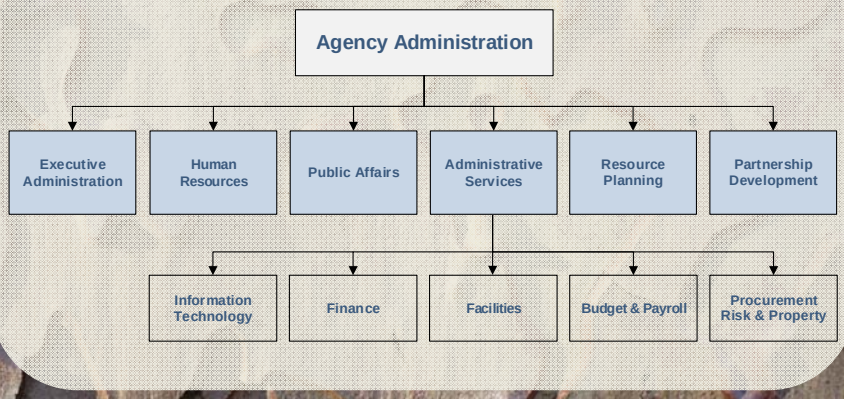
## Oregon Department of Forestry
## *2015 Agency Administration Structure*



## Strategies

- Excellent customer service
- Improved service delivery
- Accountability

Funding
Paid by agency programs based on usage
85
Agency Administration

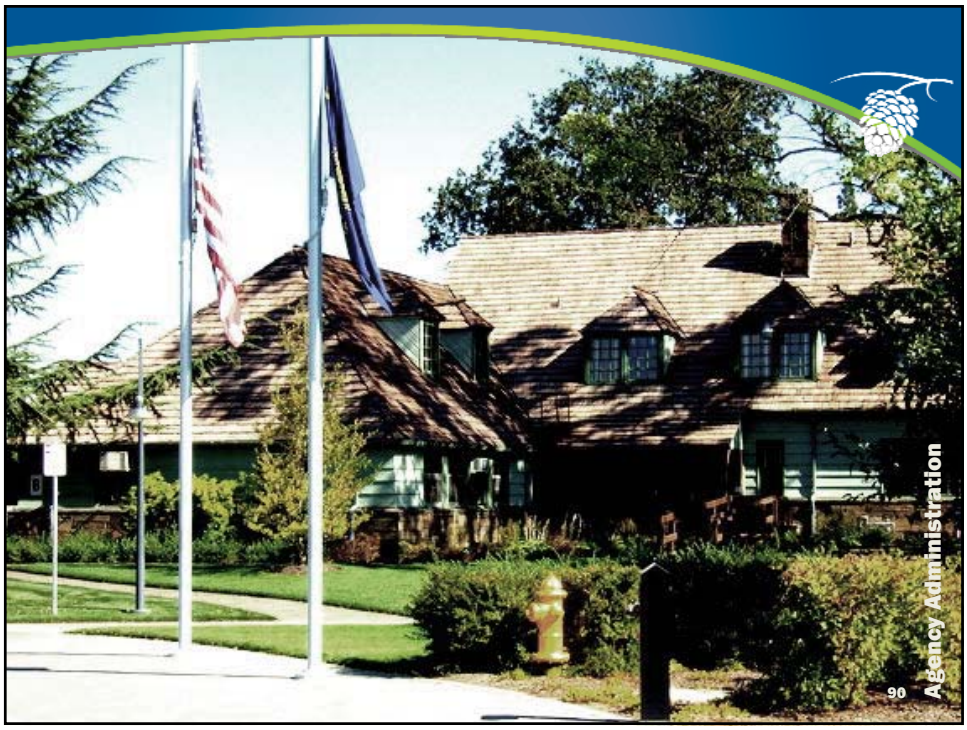
Results
Recent findings from yearly survey of local policymakers and stakeholders:
• Met 100% target on overall service, accuracy, information availability, expertise, helpfulness, timeliness
• Concerns about ability to sustain excellent customer service
86
Agency Administration

# Budget Environment and Challenges

# Governor's Budget

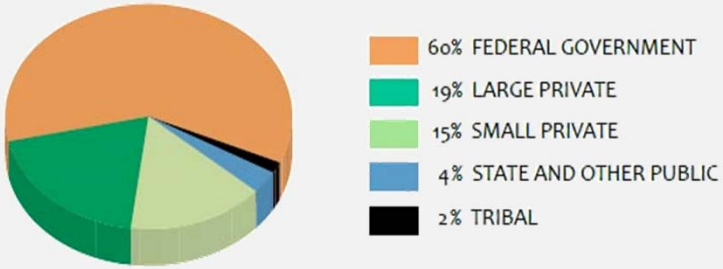
- Additional administrative capacity
- Modern purchase order system
- Restoration of historic State Forester's Office Building



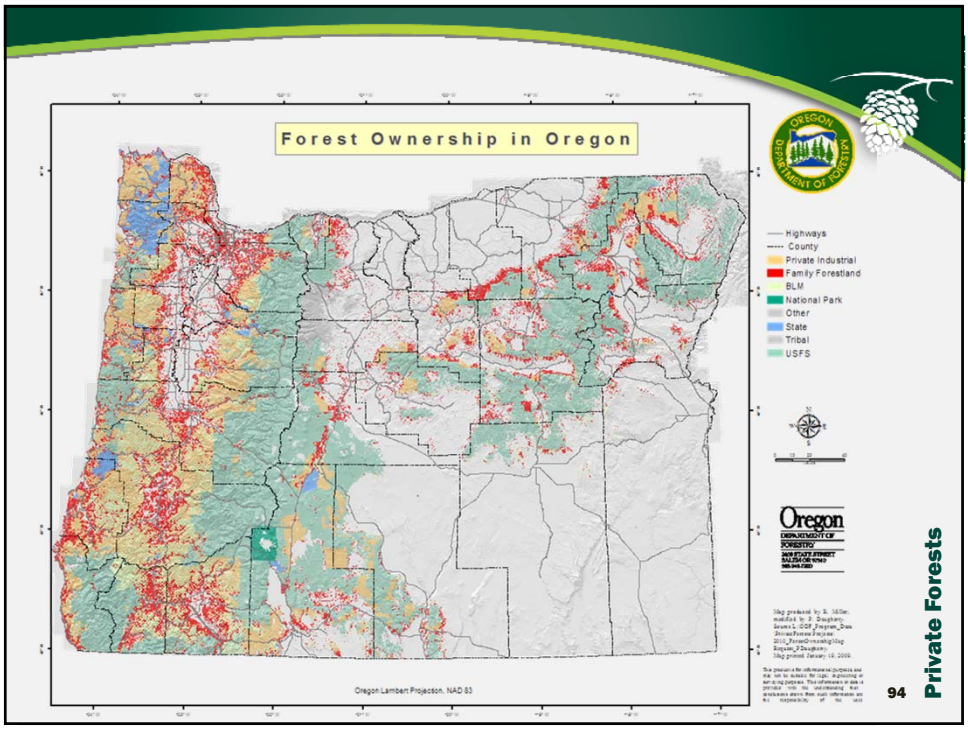


## Who Owns Oregon's Forests?

OREGON FORESTLAND BY OWNER (AS PERCENTAGES)



Purpose
Keeping private forestlands
healthy, intact, and working
93
Private Forests


Forest Ownership in Oregon
Highways
County
Private Industrial
Family Forestland
BLM
National Park
Other
State
Tribal
USFS
Oregon Lambert Projection, NAD 83
Oregon
94
Private Forests

Four sub-programs
• Oregon Forest Practices Act (FPA) enforcement
• Forest Health Management
• Family Forestland Assistance
• Urban and Community Forestry
95
Private Forests

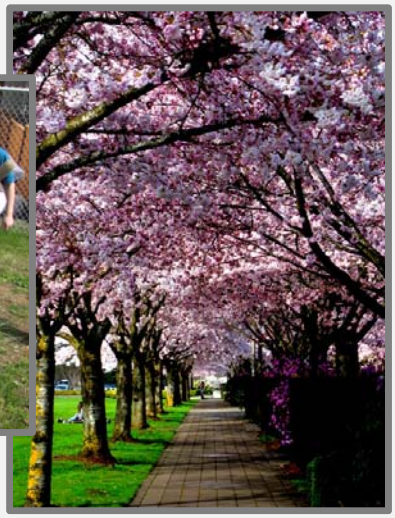
Oregon Forest Practices Act
96
Private Forests

# Resource protection

# Forest health management

Maintain and improve the health of Oregon's non-federal forests

## Urban Forestry



# Strategies

# Boots on the ground

# Inspections

# Forest Practices compliance audit

# Effectiveness monitoring

Survey, evaluate, and monitor forest insects and tree diseases

Provide technical advice and training on integrated pest management

Stewardship Foresters play key roles supporting ODF's fire protection mission
107
Private Forests

Stewardship Foresters provide technical advice to family forestland owners
108
Private Forests

Provide technical assistance to help cities manage urban forests



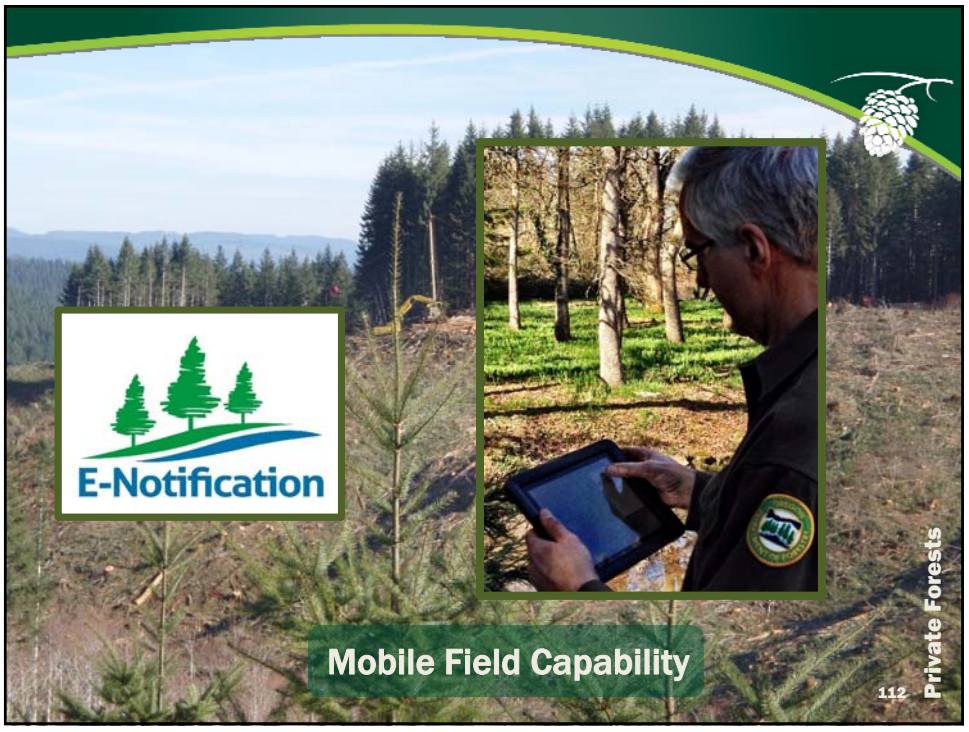
# Funding

- Historically, 60% General Fund, 40% Harvest Tax for Forest Practices Act
- General Fund support for Forest Health Management leverages Federal Funds and Other Funds
- Family Forestland Assistance and Urban and Community Forestry are federally funded

# Results

Online Notification System






Mobile Field Capability

Certifying family forests

Planning green infrastructure projects

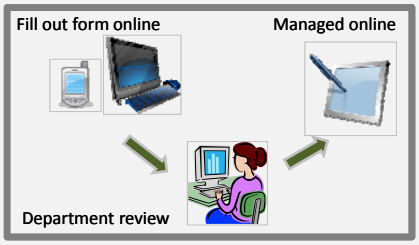


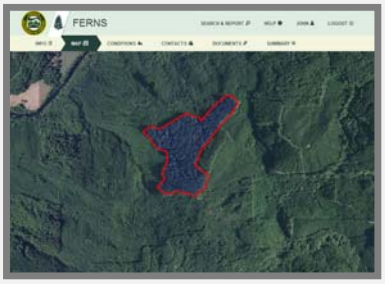
# Budget Environment and Challenges

# Fragmentation

# Other challenges

# E-Notification






# Biomass

# Water quality

# Governor's Budget

- Electronic Notification System maintenance and enhancement
- Leadership and facilitation for biomass use
- Water quality, forest roads FPA effectiveness

SKAGIT
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Private Forests

OREGON
DEPARTMENT OF FORESTRY
STATE FORESTS
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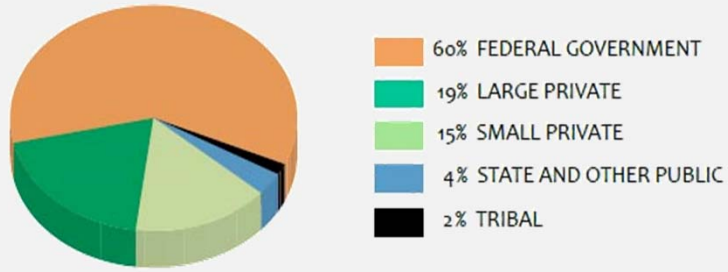
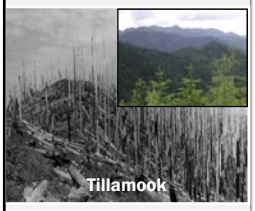
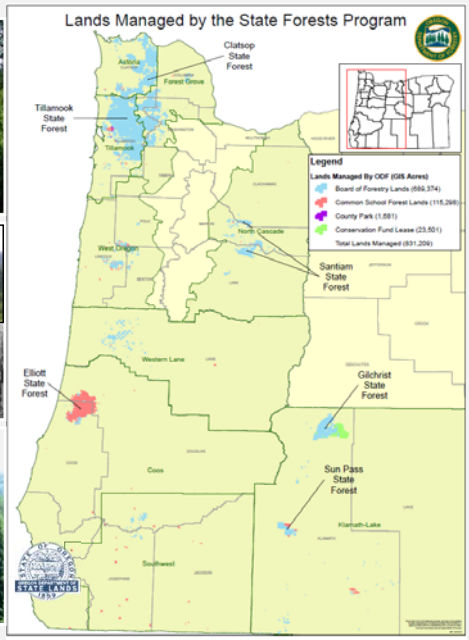
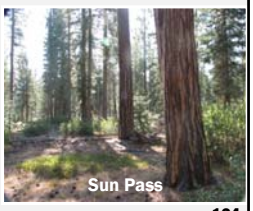
# Who Owns Oregon's Forests?

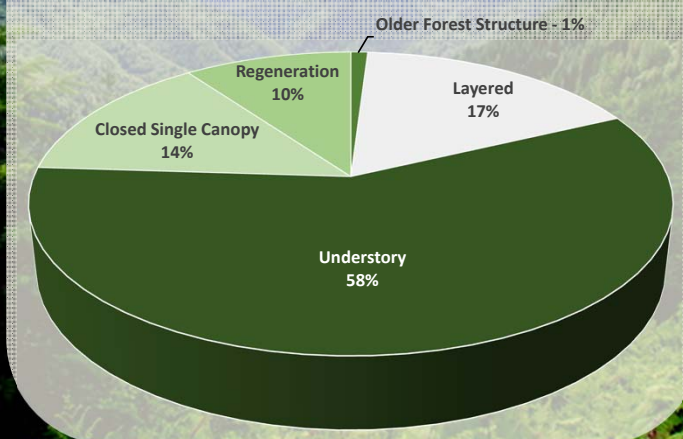








# Diverse habitats






# Purpose

Managing state-owned forests sustainably to benefit communities and the environment

Keeping working forests working
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Strategies
Managing for Greatest Permanent Value
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Collaborative relationships
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Research and monitoring
State Forests
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Funding
Oregon's State Forests Division is self-funded, almost entirely through timber harvest revenue
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Results
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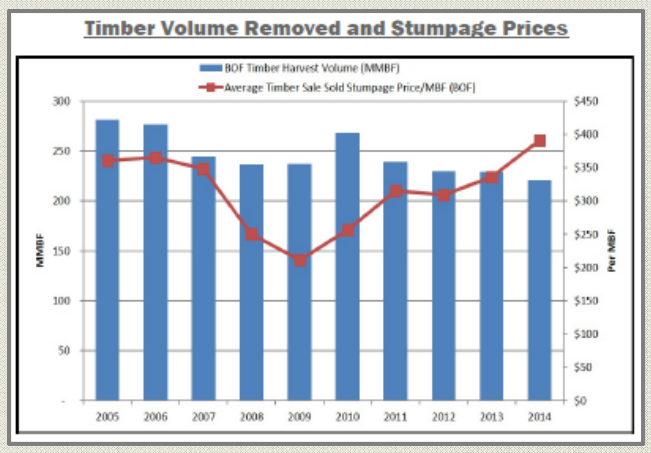
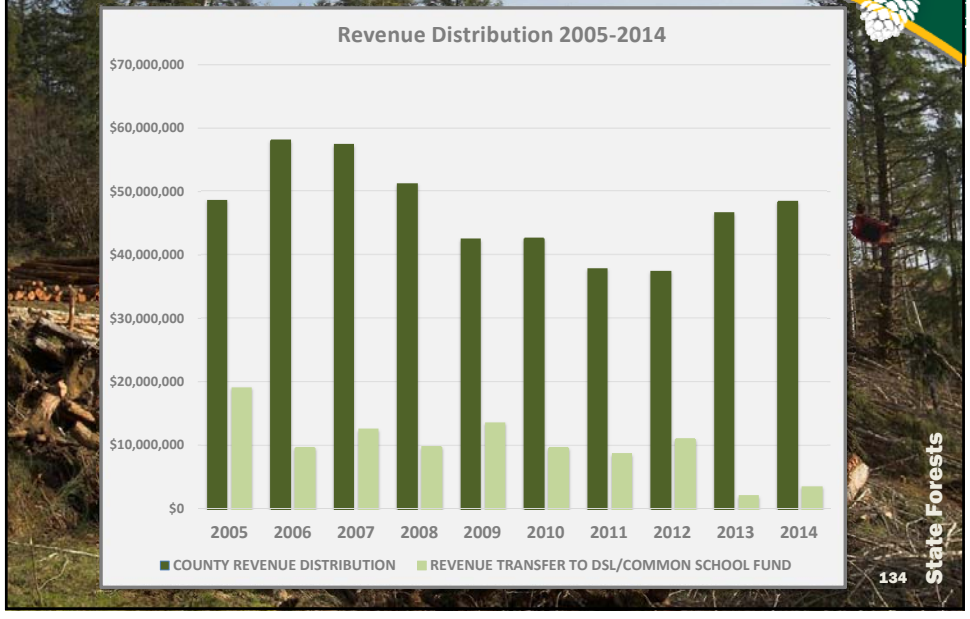
# Timber harvest volume



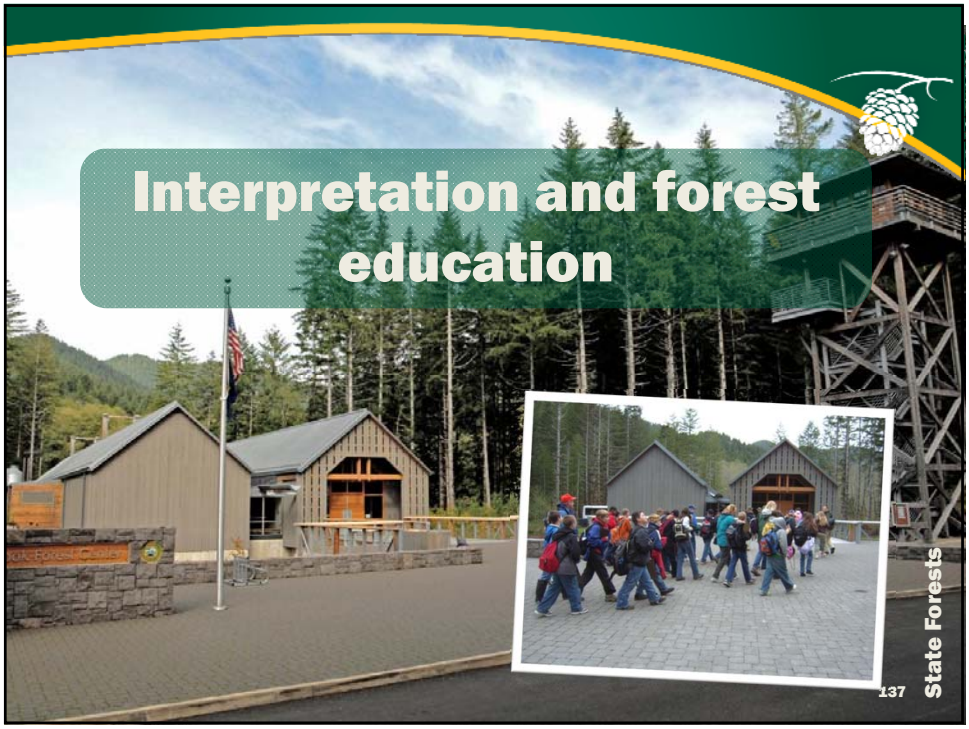

- BOF Timber Harvest - 241 mmbf/year (2010-2014 average)
- Steady flow of timber through market fluctuations





## Recreation

- Tillamook State Forest – over 116 miles of trails maintained in 2014
- Campers in State Forest campgrounds – 37,799 in 2014
- Diverse recreation opportunities close to Portland area
- Continue to see increases in use and popularity


Interpretation and forest education
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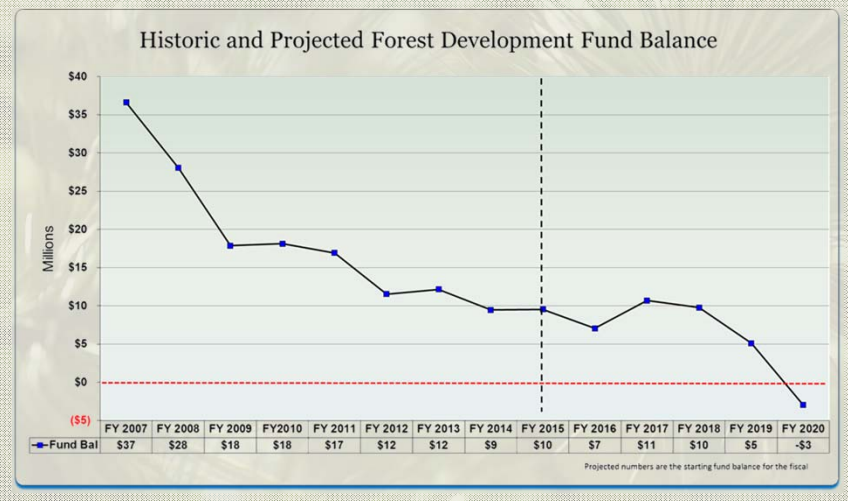
## January 2015 State Forests financial projection



# Financial viability

- Sufficient revenue to support new management plan and long-term investment
- Fund balance must be high enough to accommodate cash flow cycles and provide for unseen risk

# New management plan for northwest Oregon State Forests

Governor's Budget
Providing bridge funding to support key services, pending development of a new forest management plan and business model.
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Tom Imeson, Chair
Oregon Board of Forestry
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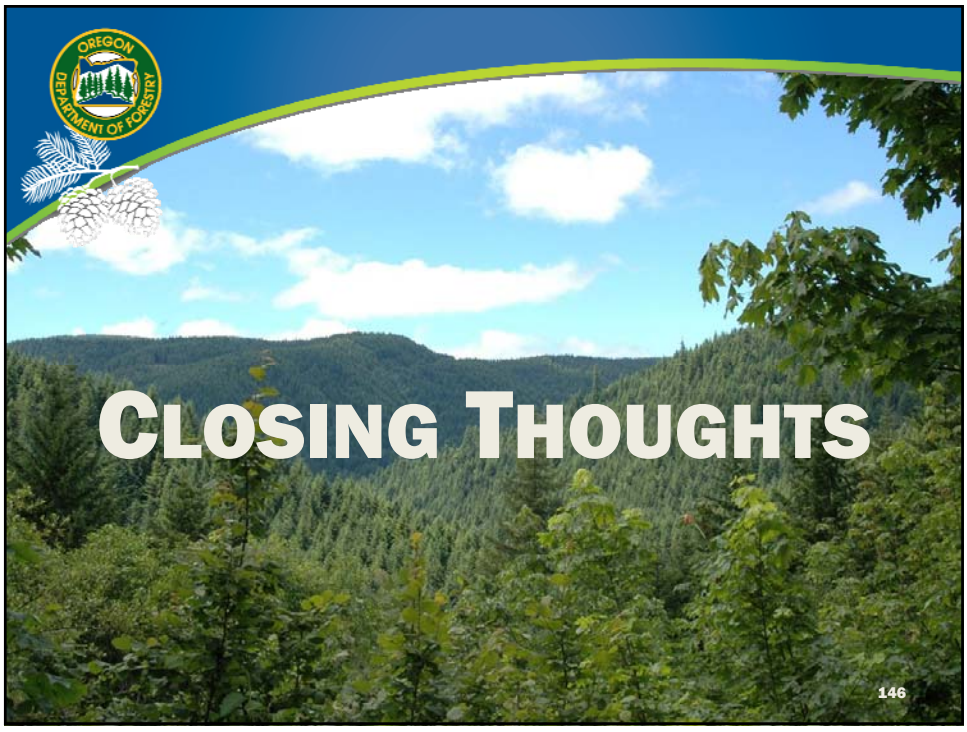
CLOSING THOUGHTS
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# Thank You

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