

## Natural Resources

### STATE FORESTRY DEPARTMENT

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$32,447,990	\$36,430,991	\$36,210,891	\$36,550,441
Lottery Funds	379,400	0	0	0
Other Funds	127,632,481	174,068,405	213,010,578	162,668,712
Federal Funds	2,292,316	3,554,566	12,489,419	26,635,445
Other Funds (Nonlimited)	20,100,090	7,514,800	7,514,800	12,500,000
Federal Funds (Nonlimited)	0	0	0	0
<b>Total Funds</b>	<b>\$182,852,277</b>	<b>\$221,568,762</b>	<b>\$269,225,688</b>	<b>\$238,354,598</b>
Positions	1,402	1,476	1,442	1,474
Full-time Equivalent	901.85	944.24	924.72	904.01

### Overview

The Forestry Department includes the Protection from Fire, Administration, State Forest Lands, Forestry Assistance, and Forest Practices programs. It also includes an equipment pool, a nursery, and Capital Improvement funding.

The Administration program leads and supports the other programs. Program staff work on policy, payroll, accounting, budget, safety, and training. They also study forest resources and do strategic planning. They maintain the computer systems, manage and maintain property, and coordinate public affairs and air operations.

The Protection from Fire program covers about 16 million acres of forestland. This program puts out forest fires and tries to prevent them. A split between General Fund and landowner assessments funds this program. The Governor's balanced budget funds the split at 50 percent General Fund and 50 percent landowner assessment.

The Cooperative Fire Program (CFP) is part of the Protection from Fire program. It adds to other resources by maintaining trained fire fighters. The CFP also tries to get agencies to share resources to reduce the cost of public services. Revenues come from other agencies, private groups, or local fire districts to pay for actual work done. The Protection from Fire program also includes the Emergency Fire Cost Committee (EFCC). The EFCC oversees the Oregon Forestland Protection Fund and the buying of insurance for the Fund. The Fund helps to make fire-fighting costs equal among the forest protection districts. It also makes money available to districts that spend more than their budgets on large fires. Money for the Fund comes from harvest tax, landowner assessments, surcharges, and interest earnings. The Governor's balanced budget increases the Fund's current expenditure and fund balance caps, driving an increase in Other Funds Nonlimited.

## Natural Resources

---

The State Forest Lands program manages state-owned public forests. They include the Tillamook, Clatsop, Santiam, Sun Pass, and Elliott forests. The program manages approximately 790,000 acres of land. The Board of Forestry owns about 656,000 of these acres. The Common School Fund (CSF) owns the remaining 124,000 acres, but the Department manages the CSF land as well. The program supports itself with timber sale revenues. The CSF will pay the program about \$12.2 million for managing the forests. The program also includes the J.E. Schroeder Seed Orchard. The Orchard helps maintain the genetic quality of state and private forestland, and helps to increase the yield and quality of future forests.

The Forestry Assistance program provides help to forest landowners. This help includes information and incentives. The goal is to promote voluntary efforts to improve land and resources beyond regulatory standards. This program has three parts: Service Forestry, Insect and Disease Management, and Urban Forestry. Service Forestry provides advice to individual non-industrial private landowners on how to manage multiple resources and how to comply with forest property taxes. Service Forestry also provides information, including what federal cost-sharing programs exist, and on how to improve forest health. The Insect and Disease unit conducts surveys, and monitors forest pests and tree diseases. The Urban Forestry program provides technical and financial assistance to communities, nonprofit groups, and civic organizations.

The Forest Practices program oversees and enforces the Forest Practices Act. The Act encourages economically efficient forest management and the protection of forest resources. It provides guidelines on the management of soil, air, water, fish, and slash burns. The General Fund provides 60 percent of the funding for the Forest Practices program, and the rest comes from harvest tax revenue.

The Capital Improvement program maintains 400 structures. Many of these were built over 40 years ago, and no longer meet building codes. The Department has a long-range plan that sets priorities for projects statewide over the next 10 years.

### Balanced Budget

The balanced budget for the State Forestry Department is \$238.4 million total funds. This is an 11.5 percent decrease from the 2001-03 Legislatively Approved Budget through the Fifth Special Session. The decrease is primarily due to the phase-out of one-time Other Funds expenditures related to the 2002 fire season. Although the budget included General Fund reductions, General Fund expenditures actually increase by about one percent. This is mostly due to three different budget actions:

- First, the restoration of \$0.17 million General Fund for the Oregon Plan that was shifted to Other Funds. House Bill 5575 (2002 Third Special Session), made this one-time shift to free up General Fund for other statewide needs.
- Second, due to the phase-out of Forest Products Harvest Tax for the Service Forestry program, \$450,000 General Fund was added to continue program activities. The agency's 2001-03 Legislatively Adopted Budget anticipated this adjustment.

## Natural Resources

---

- Third, the Protection from Fire program received \$1.5 million General Fund to support base fire program expenditures. Over time, the cost of firefighting has consistently outpaced inflationary adjustments on program expenditures.

Along with continuing core agency services, the budget supports cooperative fire protection, forest plan implementation, and smoke management activities. It also provides for state participation in new federal forest enhancement and conservation programs. Federal Funds expenditures are also increased because the agency moved dollars to this category that were previously received and expended as Other Funds.

The balanced budget includes 11 positions to staff the Tillamook Interpretive Center. The Center is a private/public partnership that will inform and educate visitors about the Tillamook State Forest and its unique history. The Department is committed to completing the \$8.9 million project on schedule, which provides for a Spring 2005 opening. Having raised over \$6 million for the project through fundraising, the agency is working to finalize the remaining funding needed.

### Revenue

General Fund, Other Funds, and Federal Funds support this budget. Other Fund revenue sources include the harvest tax, landowner assessments, and sale of timber on forestlands managed by the Department. The U.S. Forest Service provides some funding for the Forestry Assistance program. Federal Fund revenues increase due to expanded programs and a change in how the agency displays federal dollars in the budget.