

Oregon Department of Forestry

2009-2011 Governor's Recommended Budget

The 2009-11 Governor's Recommended Budget (GRB) for the Oregon Department of Forestry is \$283.7 million in total funds and 1,247 total positions. This is a 10 percent (net) budget increase from the 2009-11 Essential Budget Level and a 4 percent (net) increase from the 2007-09 Legislatively Adopted Budget. The position total is 64 less positions primarily due to the phase out of the Nursery Program and the General Fund reduction plan. The budget continues all existing programs except the phase-out of the Forest Nursery Program.

Major features of the budget include:

- A 10 percent General Fund reduction in the agency's current service level, or Essential Budget Level (EBL), of \$4.5 million General Fund, \$2.1 million Other Fund, which includes eliminating 17 positions and 33.68 FTE in the Private Forests Program. This equates to a 37 percent reduction in the program's General Fund budget and 23 percent reduction to the total funds budget for the program.
- All agency proposed enhancement packages that contained General Fund were not approved due to state-level General Fund constraints.
- Reducing the agency's General Fund appropriation in the Fire Protection program by changing the ratio of General Fund to landowner assessments for basic fire protection from the current 50/50% to 45/55%, and by fund shifting some program General Fund to the agency's Forest Development Fund (FDF).
- All Essential Budget Level changes, including the 2.8 percent inflation for goods and services, phase out of one time expenditures for the business initiative project, and the elimination of the Nursery Program, were recommended for approval in the Governor's Recommended Budget.
- Changing the Fire Program's General Fund (Public Share Fire Fund or PSFF) from a Special Payment to individual line item expenditures to align Public Share Fire Fund accounting/expenditures with budget. This will help the program's General Fund keep pace with personal services costs over time.

Fire Protection

In the Fire Protection Program, the budget includes the establishment of a Special Purpose Appropriation in the Emergency Board Fund in the amount of \$5,119,084 General Fund to pay for fire insurance premium cost and severity resources. The recommended amount includes the \$4,979,654 GF Special Purpose Appropriation approved during the 2007-09 biennium increased by 2.8 percent inflation. The budget also includes the establishment of one (1) field forester position to work as a rangeland coordinator, assisting landowners in developing rangeland protective associations in areas of unprotected lands where no means of initial attack and suppression of wildfire exist. The budget also includes the establishment of two (2) new limited duration positions for greater monitoring and accountability of contract resources for wildfire suppression effort and the establishment of one (1) half time (.50 FTE) Fiscal Analyst 1 position to serve as the Emergency Fire Cost Committee (EFCC) Finance Coordinator.

The Governor's Recommended Budget for the program includes a fund shift of \$3.15 million dollars from General Fund to Other Funds - \$2.3 million by changing the Public Share Fire Fund and Landowners cost share to a 45 percent General Fund and 55 percent Landowners Assessment ratio from the current 50/50, and \$850,000 General Fund shift by using the agency's Forest Development Fund revenues. Also included in the budget is the continuation of the fire protection June 2008 Emergency Board Action of \$2.3 million with revenue also being derived from the Forest Development Fund.

Private Forests

In the Private Forest Program, the budget includes a \$4,559,370 General Fund and \$2,175,255 Other Fund (mostly Harvest Tax) reduction as part of the mandatory General Fund reduction direction. This

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reduction equates to a 37 percent General Fund reduction for the program compared to the 2009-11 Essential Budget Level and a 32 percent reduction compared to the 2007-09 Legislative Adopted Budget. This reduction will require significant changes in program focus and service delivery. The recommended budget also includes four (4) new positions and \$4 million additional Federal Funds for Sudden Oak Death (SOD) monitoring and eradication.

State Forests

In the State Forests Program, the budget includes the establishment of six (6) new positions to provide necessary resources to further implement forest management plans. The budget includes a placeholder for a land acquisition project for which the cost and financing of the project is yet to be determined. It also includes a provision to allow timber sale project work to be accounted for according to the Generally Accepted Accounting Principles (GAAP). The Governor's Recommended Budget also includes an additional Forest Development Fund (FDF) revenue transfer of \$950,000 to provide the difference in cost coverage for the Common School Lands (CSL) portion of the agency administration funding. This amount is the difference between 8.8% and 4.5%.

Agency Administration

In the Agency Administration Program, the Governor's Recommended Budget provides resources to continue a portion of the agency business systems initiative through the 2009-11 biennium and delaying the issuance of the remaining \$1.7 million Certificate of Participation (COP) for the initiative into the next biennium therefore creating significant savings for the General Fund and delayed expenditures for Other Fund revenues.

The budget also continues a portion of the funding of the Fire Protection portion of agency administration by use of the agency's Forest Development Fund (FDF) in the amount of \$3,712,326.

	2005-07 Actuals	2007-09 Leg Approved Budget	2009-11 Governor's Recommended
General Fund	\$52,819,882	\$40,058,848	\$37,337,506
Lottery Funds	0	0	0
Other Funds	192,407,822	190,304,955	200,388,082
Federal Funds	15,163,791	26,483,943	30,986,689
Other Funds (Nonlimited)	6,254,514	15,000,000	15,000,000
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$266,646,009	\$271,847,746	\$283,712,277
Positions	1,292	1,311	1,247
Full-time Equivalent	909.15	920.96	873.23