

Agenda Item No: 3  
Title: ***Forestry Program for Oregon Implementation – Issue 1, 2009-11***  
Biennial Budget Approval  
Date of Presentation: July 24, 2008  
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## **SUMMARY AND CONTEXT**

Planning and development of the next biennial budget continues. Following review and discussion, this agenda item seeks Board approval of the Agency Request Budget and its submission to the Department of Administrative Services by September 1, 2008. This recommendation for approval follows and builds upon the Board's previous budget discussions and deliberations since late 2007.

## **BACKGROUND AND ANALYSIS**

Strategic thinking and planning drives the Board and agency's budget process. The strategic framework within which legislative concepts and budget development and implementation occur includes:

- The missions and statutory policy, responsibilities and obligations of the Board, the State Forester, and the Department;
- The Board and Department strategic planning efforts as established and expressed by the Board's *Forestry Program for Oregon*, the Board's work plans, and the Department's strategic planning efforts;
- The Department's core operational and support functions, which represent the essence of the agency and our fundamental "reason for being" as an organization; and
- The Department's biennial budget planning focus areas which are used by agency staff in building the budget itself.

The budget development process is then structured around the following elements:

- Instruction and direction from the Governor's office and the Department of Administrative Services;
- The identification of agency legislative concepts and budget focus areas which address current and projected issues, needs, opportunities and outcomes; and
- Stakeholder involvement and input at various stages of the process.

The primary budget building blocks include (1) the essential budget level (which reflects the delivery of current services), (2) the adjustments or enhancements to the essential level in the form of Policy Packages (POP's), and (3) the development of budget reductions options. The reduction options include both General Fund reductions, as well as a "90% of current service" total budget level to meet the requirements of 1999 HB3182, which in effect is a "10% all funds" reduction. As these building blocks are formed through comparison of policy choices, and decisions are made regarding options, we are continually "truthing" the concepts against both the strategic components and the process elements.

As Policy Packages have been considered and prioritized, and as Reduction Options have been developed and ranked, we have particularly focused on the 2003 *Forestry Program for Oregon*, the Board's current work plans, the agency's strategic planning, and stakeholder input and involvement. Recognizing the likely General Fund situation for 2009-11, we are proposing a number of General Fund Policy Packages which comprise those budget resources that are necessary to gain new efficiencies in service delivery, maintain our current program delivery, prevent any further deterioration of program accomplishment and, in some cases, restore critical functions that were reduced in prior biennia.

Attachment 1 summarizes the Agency Request Budget and will be the review and discussion document on July 24, 2008.

In previous biennia, as a means to communicate strategic thinking and vision, the Board has developed a letter of transmittal to the Governor to be submitted along with the Agency Request Budget document. This letter has served to both highlight the budget resources that are needed to achieve the mission and goals of the Executive Branch of state government and to address the Board's concerns regarding possible further budget reductions. In this context, and in keeping with past practice, a draft letter will once again be prepared for the Board's consideration. For example and context, Attachment 2 is the transmittal letter sent with the 2007-09 budget in September 2006.

## **RECOMMENDATION**

At the July 24, 2008 meeting, the Department recommends that the Board approve the 2009-2011 Agency Request Budget, review and approve, in concept, the Board letter of transmittal to the Governor and authorize the Board Chair to sign the letter following final drafting, and direct the Department to submit both documents concurrently to the Department of Administrative Services by the September 1, 2008 deadline.

## **NEXT STEPS**

Following Board approval and inclusion of any Board input at the July 24, 2008 meeting, the Agency Request Budget will be submitted to the Department of Administrative Services by September 1, 2008.

## **ATTACHMENTS**

- 1) 2009-11 ODF Agency Request Biennial Budget Summary (*available after July 16, 2008*)
- 2) 2007-09 Biennial Budget Board of Forestry Letter of Transmittal