



Oregon

Theodore R. Kulongoski, Governor

Department of Forestry

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September 1, 2006



"STEWARDSHIP IN FORESTRY"

The Honorable Theodore R. Kulongoski
Governor's Office
State Capitol, Rm. 254
900 Court Street NE
Salem, OR 97301-4047

Dear Governor Kulongoski:

The Oregon Board of Forestry has reviewed and approved the Department of Forestry's 2007-2009 Agency Request Budget. This budget was developed based on your set of biennial budget principles, in conjunction with the Board's and the Department's mission, legal responsibilities, and obligations to the people of Oregon.

The Department's proposed policy packages for 2007-2009 were based on the Board's 2003 *Forestry Program for Oregon* and the agency's 2004-2011 Strategic Plan. Because these planning documents also align with your budget principles, we believe this budget request outlines activities, programs and investments that support your vision for Oregon, its communities, and its environment.

The environmental, economic, and social benefits of sustainable forestry are interdependent and form an important basis for your budget principles. Accordingly, many of the provisions of this budget support multiple principles simultaneously. Here are some key examples:

Principles:

- **Meeting children's educational needs, providing development opportunities for adults, engaging communities in supporting children and families.**
- **Pursuing economic development, a positive business climate and sustainable businesses and jobs.**
- **Preserving Oregonians' basic health and daily needs.**

Productive working forests provide products, jobs, and tax revenues – economic value that helps to sustain the education and social services systems, and strengthens the social fabric of communities, particularly in rural areas. Accordingly, packages in this budget would:

- Improve technical assistance to forest landowners, so they can realize economic benefits while protecting natural resources.

AGENDA ITEM 3

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- Fully implement adopted State Forests management plans, producing economic, social, and ecological benefits for counties and for Oregon, guided by our pursuit of Greatest Permanent Value.
- Provide resources to implement 2005 SB 1072, promoting biomass and bio-energy development, which can create economic activity in rural communities while also reducing the threat of wildfire and improving forest health.

Principle: Balancing growth, infrastructure and environmental protection.

The threat posed to forested lands from land conversion is well documented. Implementing alternative strategies for economic return, such as producing alternate fuels from forest debris, is one means of helping maintain working forests. This in turn will help to provide environmental protection, target growth in areas more prepared to serve development needs, and reduce forest land conversion.

In addition, forest landowners have demonstrated strong support for forest practices regulations that are based on research and sound science. Such a regulatory system, and consistent compliance with it, helps maintain public support for harvesting and other forest practices. Accordingly, elements in this budget would:

- Enhance capability to conduct statewide technical assessments and landscape-scale modeling, and to maintain leadership in developing sustainable forest policy.
- Continue studies of the effectiveness of current forest regulations.
- Address the need for increased monitoring of forest practices, and of conducting surveys of fish presence to help shape forest regulations.

In addition to supporting environmentally sound, economically supportable regulations, packages within this budget address stewardship of natural resources and their related economic and social values by:

- Providing for adequate forest health monitoring.
- Continuing to address threats from Sudden Oak Death and other diseases.
- Ensuring continued implementation of the Oregon Plan for Salmon and Watersheds across the agency, including the establishment of field riparian specialists.
- Providing an effective and efficient smoke management system.
- Ensuring the most efficient level of fire protection across the state.
- Addressing service delivery needs and program funding structure changes identified in the 2003-2005 Fire Program Review.
- Establishing an expanded, free-standing urban forestry program.
- Providing adequate resources to administer Measure 37 claims.

Principle: Providing for the safety of Oregonians, including maintaining the ability to swiftly respond to emergencies to preserve life and property.

In addition to protecting the economic and environmental value of our forests, providing the most efficient level of fire protection, as this budget requests, also enhances public safety. The budget request supports the Department's commitment to extinguish fires rapidly – the most effective way to protect resources, lives and property. Reduction of excess forest fuels, an important component of this budget's proposed biomass activities, also is important to protecting communities.

Principle: Ensuring stable, responsive and accountable government.

The Board and Department value transparent decision-making and operating processes, and broad-based, informed public participation. In fact, these qualities are essential to public understanding and support of sustainable forest management. Accordingly, this budget includes elements that would:

- Adequately support decision and information systems and technology, including business systems application development (both Web and GIS capabilities), system infrastructure, and user support.
- Bring support of agency human resources, procurement, and quality assurance services to adequate levels.
- Address increasing costs of insurance, risk management, and employee benefits.
- Address capital planning needs for facilities improvements and replacements.
- Align funding of agency administrative services with work performed.

This budget was developed in collaboration with the Department's partners and stakeholders. The budget maintains its linkages to Oregon's performance measures and benchmarks. These benchmarks support the Oregon Shines vision, which Oregonians first began to articulate more than 15 years ago as a means of guiding our state toward a prosperous and successful future. Quality jobs, engaged communities and healthy, sustainable surroundings – all parts of that vision – are integral to your budget principles, and to the work of the Board and Department. In addition, and perhaps most importantly, this budget reflects a thorough examination of service delivery while keeping administrative costs to a minimum.

Also, the Department has developed, with the Board's approval, a list of General Fund reduction options up to twenty percent. Following the budget reductions taken in the 2001-03, 2003-05 and 2005-07 biennia, the Board, as well as the Department, are particularly concerned about the potential for additional reductions during the 2007-09 budget cycle. The Department efficiently and effectively utilizes all General Fund dollars by leveraging them to the maximum extent possible with Other Funds and Federal Funds. Since the agency's General Fund is concentrated in the Fire Protection, Private Forests, and support services programs, these programs suffer the most serious reductions, and consequently, the most significant decreases or elimination of services.

The most significant impacts of major General Fund reductions would include:

- Catastrophic fires would result from an inadequate level of forest fire protection;
- Implementation of the Oregon Plan for Salmon and Watersheds would be slowed, resulting in greater impacts to protected forest resources;
- Economic and legal stability for forest landowners would be impacted severely from the reduction in Forest Practices Act administration and enforcement;
- Economic outputs, maintenance of rural social and community values, and protection of forest resource environmental values would be at risk from significant reductions to the landowner services provided by field foresters and staff in the Private Forests program;
- Support to agency programs and public interests would be less effective as a result of administrative reductions for public information and assistance, strategic planning, and financial oversight.

Clearly, such reductions would severely impair the Department's ability to provide for healthy, sustainable forests through fire protection, landowner assistance, and a range of other services to the detriment of landowners, the forests, and all Oregonians. As you can see, General Funds support the values Oregonians derive from our forests.

In conclusion, the Board and Department want to thank you and your natural resources staff for your support and leadership. The budget that the Department requests and the Board supports reflects our collective vision for a healthy, productive and sustainable Oregon, consistent with the principles that you have laid out.

Sincerely,

Stephen D. Hobbs
Chair, Oregon Board of Forestry

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c: Oregon Board of Forestry
Mike Carrier, Governor's Natural Resources Policy Director
Marvin Brown, ODF
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