

Agenda Item No.:	5
IBI # and Title:	Board Strategic Planning, Implementation and Monitoring Work Plan 1, IBI 5 – Strengthen Links to Forestry Work Outcomes
Presentation Title:	2009-11 Legislatively Adopted Biennial Budget Summary
Date of Presentation:	July 31, 2009
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SUMMARY

The Oregon Legislature has completed the Department's 2009-11 biennial budget. Excluding an increase in spending limitation in the State Forests program for accounting purposes, the total budget is a 3.7% increase over the essential budget level, due primarily to a large increase in federal funds authority with anticipated economic stimulus. The General Fund portion of the budget is decreased 8% overall compared to the essential budget level, with the majority of this reduction being taken in the Private Forests program. The impact of this reduction is an approximate 50% reduction in the administration of the Forest Practices Act, with a reduction of nearly half of the field stewardship forester and staff positions. The reduction in Private Forests is somewhat tempered by maintaining the Forest Products Harvest Tax at its current rate which provides revenue to retain some of the field positions impacted by reductions. The process provides General Fund for fire season severity and insurance as a special purpose appropriation in the state's emergency fund. The budget also includes one budget note directing the agency to report to the Legislature at the February 2010 session on the actual costs of the 2009 fire season and liability for the General Fund. The note indicates that the Legislature, at that session, may revisit the annual expenditure limits on the Oregon Forest Land Protection Fund. Finally, all of the recommended changes to the agency's Key Performance Measures were adopted.

CONTEXT, BACKGROUND AND ANALYSIS

The economic conditions in Oregon present significant challenges for state services and financing in the 2009-11 biennium. Legislative decisions reflect those challenges, and agency General Fund budgets were reduced to meet the balanced budget requirement. For the Department, we also have major revenue challenges in the State Forests Program.

RECOMMENDATION

The Legislatively Adopted 2009-11 biennial budget summary will be shared with the Board. This information will be brought as current as possible by the time of the meeting. Impact analysis will be shared as well, particularly for the Private Forests and State Forests programs.

NEXT STEPS

If, due to changes in the economic situation, the Department's budget is modified by either Emergency Board action or legislative action during the proposed February 2010 session, staff will keep Board members informed as the process progresses.

ATTACHMENTS

(1) Interim Information [copies of summary available at the meeting]