

Forestry Program for Oregon Strategy B: Ensure that Oregon's forests provide diverse social and economic outputs and benefits valued by the public in a fair, balanced, and efficient manner

Indicator B.a. Forest-related revenues supporting state and local government public services

Why is this indicator important?

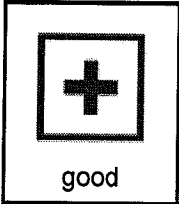
Revenue adequate to operate high-quality schools and other public services by counties and other local governments and to provide state government public services is very important to Oregonians. Decades long declines in natural-resource based industries have constrained the abilities of rural counties and local governments to provide needed public services and have made it more difficult to fund environmental protection and forestry research. Trends in forest-related revenues supporting state and local government public services is an important indicator because of the essential roles these revenues currently play in maintaining and enhancing the quality of schools and other government programs and because of the uncertainty of continuation of adequate funding to provide these services.

Desired trend

Forest-related revenues are a significant and predictable funding source for Oregon state and local government public services dependent on those revenues.

What does this indicator tell us about sustainable forest management?

State

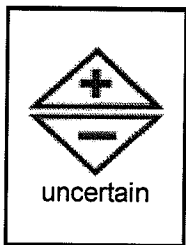


Approximately \$500 million dollars per year of forest-related revenues are being distributed to state and local governments in Oregon. These revenues support public services such as education, public safety, environmental protection, and forestry research.

A large proportion of forest-related revenues are distributed to rural counties, which helps offset declines in economic growth partially caused by declines in natural resource-based industries. More than ½ of the revenue distributed is authorized by the Secure Rural Schools and Community Self-Determination Act (2001-2006 and extended to 2007).

State is classified as good, but with reservations. Please see trend (below). Numerical targets would be useful to better evaluate the state of this indicator.

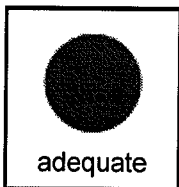
Trend



Forest-related revenue distributions to state and local governments in Oregon have increased significantly over the last decade. These revenues have offset declines in timber harvest-related revenue sharing from federal forests.

It is uncertain that current levels of these distributions will be maintained. Given other federal budget priorities, there is uncertainty over whether levels of funding in the Secure Rural Schools and Community Self-Determination Act will be maintained beyond 2007. Oregon's forest industry is also currently feeling the effects of a nationwide downturn in the housing market. With less timber being harvested and with lower stumpage prices, there will be less harvest tax, weight-mile tax, and other timber harvest-related revenues distributed.

Information

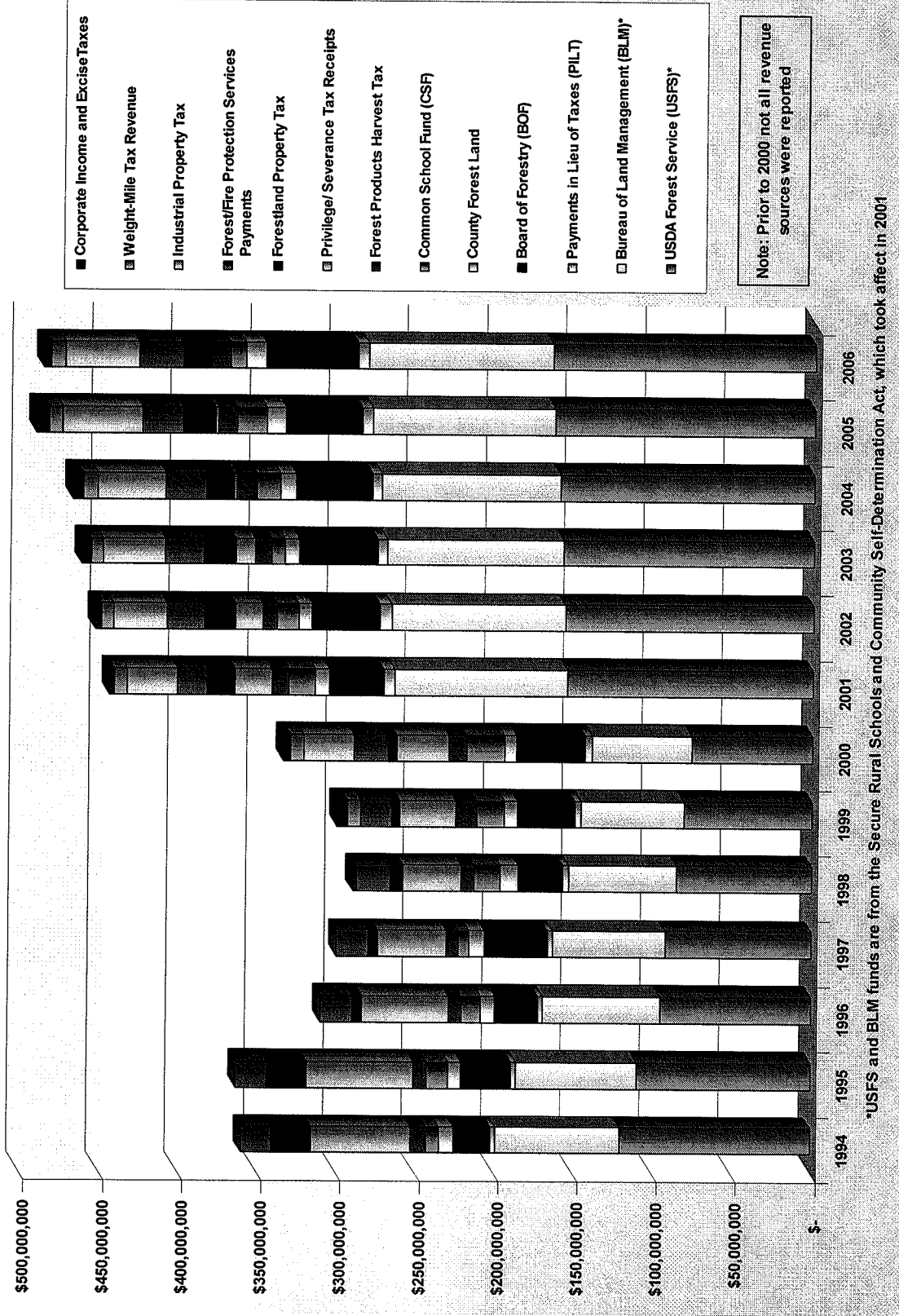


Statewide information is available for this indicator. The data are current and regularly updated from reliable referenced sources. Complete information is not available for years before 2000, for smaller geographic areas, from revenues derived from recreation, water, and other forest resources, and from forest-related state personal income tax revenues.

Metrics and Data Sources

Metric	Data Source
Payments related to National Forests including Secure Rural Schools and Community Self-Determination Act payments and National Forest timber harvest payments	USDA Forest Service
Payments related to BLM forests including Secure Rural Schools and Community Self-Determination Act payments, O&C grant lands timber harvest payments, and forest related payments in-lieu of taxes	Bureau of Land Management
Board of Forestry payments to counties & local taxing districts	Oregon Dept. of Forestry
Common School Fund payments	Oregon Dept. of Forestry
County Forest Revenues	Oregon's Counties
Forest land and mill property taxes and fire protection levies	Oregon Dept. of Revenue
Harvest tax	Oregon Dept. of Revenue
Weight-mile tax	Oregon Dept. of Revenue
Corporate income and excise tax	Oregon Dept. of Revenue

Oregon Forest Revenues 1994-2006



Indicator B.a.

Forestry Program for Oregon Strategy B: Ensure that Oregon's forests provide diverse social and economic outputs and benefits valued by the public in a fair, balanced, and efficient manner

Indicator B.b. Forest-related employment and wages

Why is this indicator important?

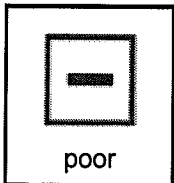
Maintaining and enhancing rural economies is very important to Oregonians. Many communities in rural Oregon have fallen behind the state's more populated areas in economic well-being. In addition to ameliorating current high unemployment and poverty levels, domestic violence, and other social problems in rural areas, healthy rural economies benefit urban areas because of the economic interdependence between the two. It is also often difficult for remote rural communities to adjust to economic changes.

Desired trend

Forest-related Oregon employment and compensation are stable or increasing.

What does this indicator tell us about sustainable forest management?

State



State is classified as poor. Oregon employment and worker compensation, in both rural and urban areas, showed strong growth from 2003-2006. Not so for rural forest-dependent communities where employment fell by 11 percent. Specific to this metric, forest-related employment in rural forest-dependent communities declined by 8 percent from 2003-2006. This was before the current housing downturn and credit crisis were felt by forest products mills in rural forest-dependent communities throughout the state. Although timber harvests had been increasing and lumber and plywood production remained strong, mills continued to become more efficient and used less labor than in the past. In addition, strong employment growth experienced in previous decades in secondary manufacturing has not continued and forest products employment in urban areas increased.

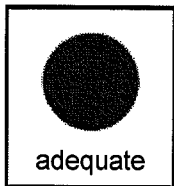
Trend



Trend is rated as deteriorating because of the long and steady downward trend in employment and compensation.

Forest-related employment and compensation in rural forest-dependent areas has been decreasing and will continue to do so for the foreseeable future. Credit markets remain unstable, the national housing market remains in a slump and non-housing construction in Oregon and nationally is forecasted to be weak over the next several years. As a result, timber and forest product prices have dropped followed by lower timber harvesting and forest products mills closing. With lower harvests and forest products production comes lower employment and compensation in rural forest-dependent communities.

Information



Overall forest-related employment and compensation information is available. Department of Forestry GIS information and employment and compensation information from the Oregon Employment Department were merged for the indicator metrics. GIS information is now available to separate Oregon forest sector employment information into rural and urban areas and by forest-dependent communities, while still meeting data confidentiality requirements. The data are current and regularly updated from reliable referenced sources. This indicator uses the same GIS information as indicator C.a., *Area of non-federal forestland and development trends*, and will be updated every 5-years by the Oregon Department of Forestry. Employment and wage information will be updated annually by the Oregon Employment Department.

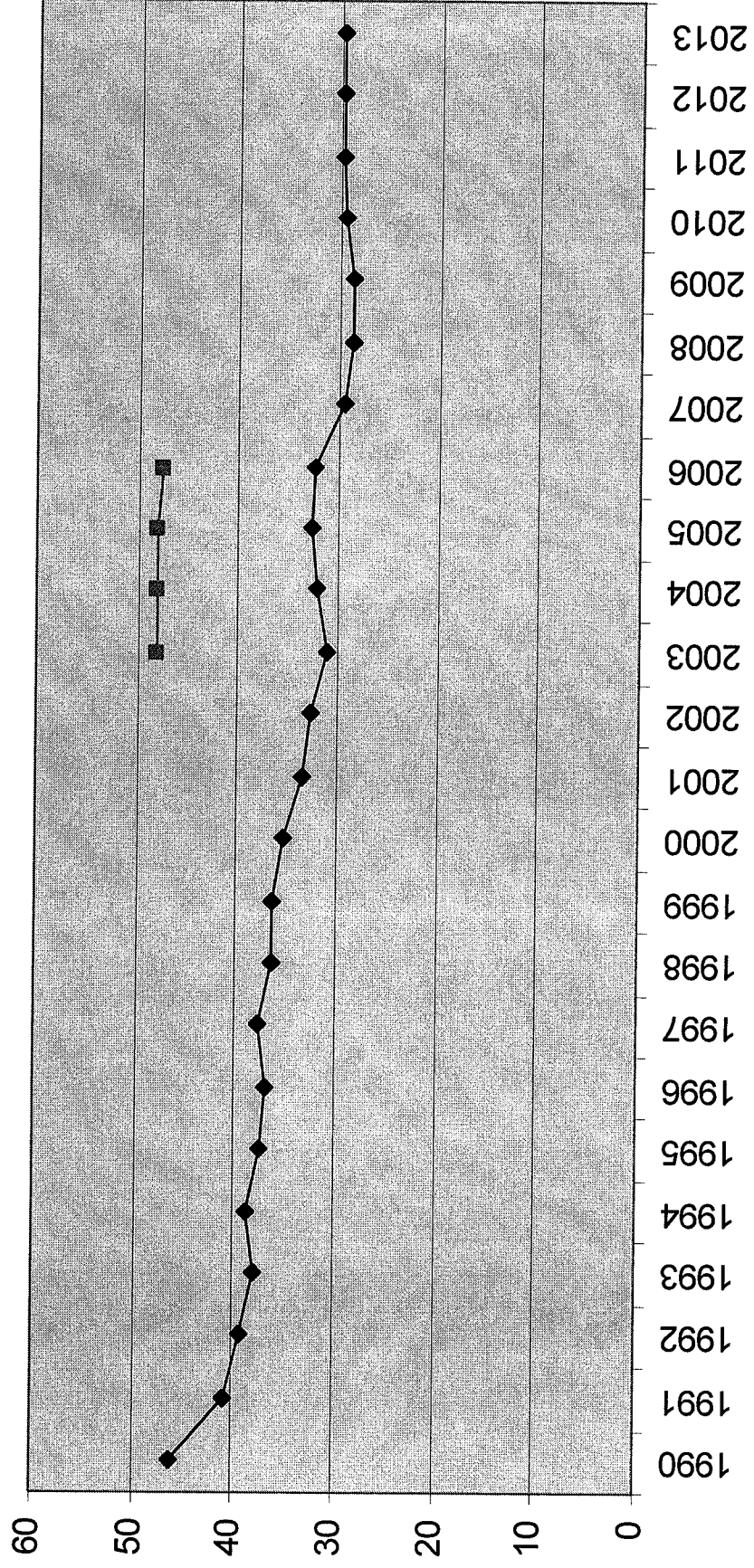
Metrics and Data Sources

Metric	Data Source
Forest-related employment in rural and urban areas and in forest-dependent communities	Oregon Employment Dept. Oregon Dept. Forestry
Forest-related wages and salaries in rural and urban areas and in forest-dependent communities	Oregon Employment Dept. Oregon Dept. Forestry

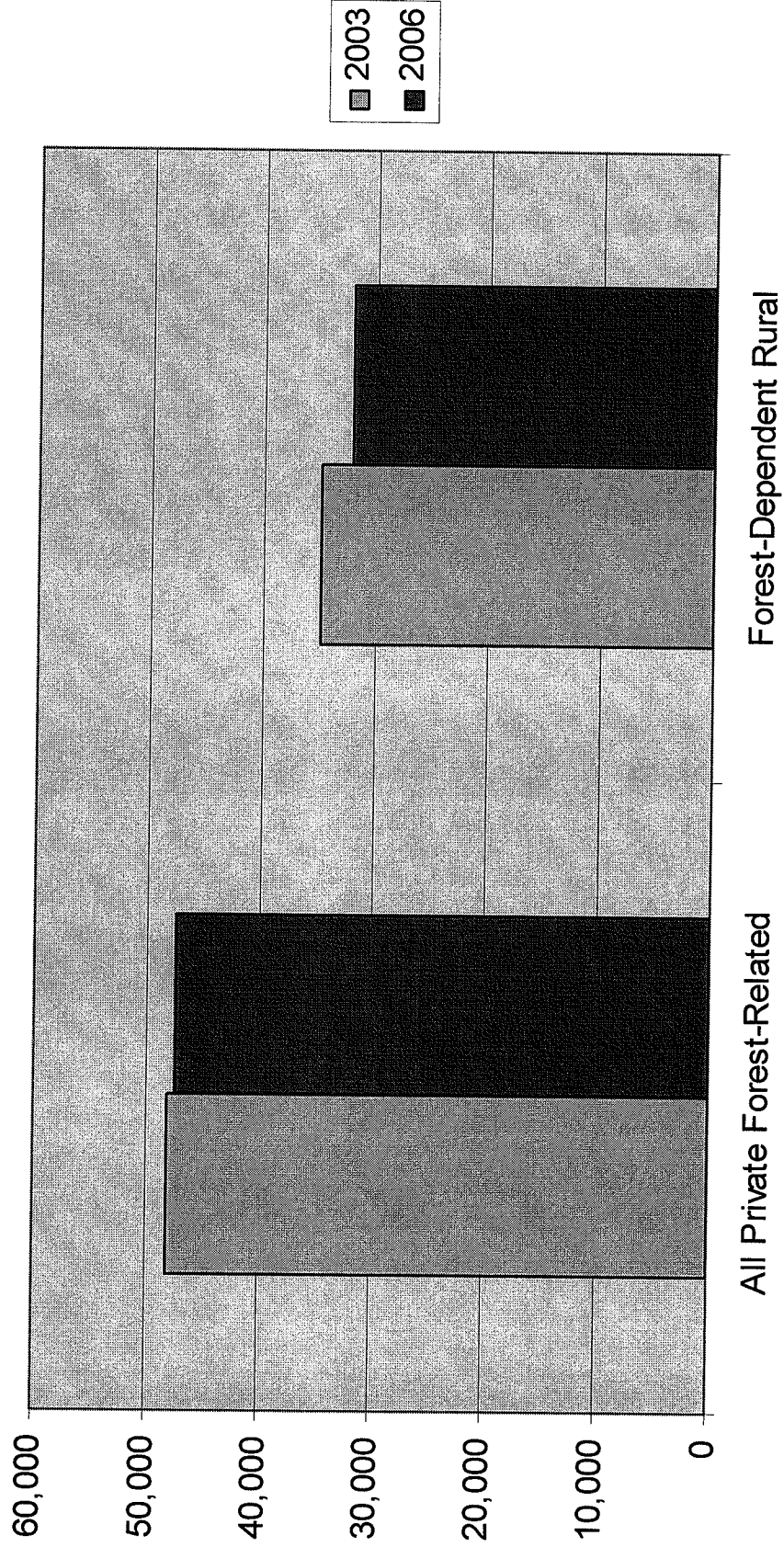
Forest Products & Forest-Related Employment

Thousands

◆ Forest Products 1990-2013 ■ All Private Forest-Related 2003-2006



Forest-Related Private Employment Declines Have Occurred in Rural Forest-Dependent Areas



Indicator B.b.

Forestry Program for Oregon Strategy C: Maintain and enhance the productive capacity of Oregon's forests to improve the economic well-being of Oregon's communities

Indicator C.a. Area of non-federal forestland and development trends

Why is this indicator important?

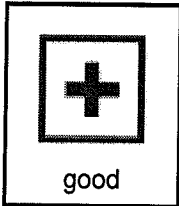
Maintaining and enhancing the productive capacity of Oregon's forests to produce the ecological, social, and economic values Oregonians expect from their forests requires limiting the development of forestland to other uses. Showing trends in land use change to and from forestland highlights the importance of maintaining Oregon's forestland base for producing fish and wildlife habitat, timber, and other traditional forest values on a sustainable basis. Data for this indicator will be used to report historical and current trends in land use and indications of potential development of forestland to other uses.

Target

Area of Oregon non-federal wildland forest in 2010 is 97.4 percent of 1974 levels (Oregon Progress Board target for identical Oregon Benchmark 82).

What does this indicator tell us about sustainable forest management?

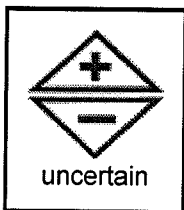
State



Across most of Oregon, nonfederal wildland forest is being converted to other uses at relatively low rates. Comprehensive plans adopted by cities and counties in the early 1980s have slowed conversion of forests and farms to more developed uses. Indicator targets are being met with 98 percent of 1974 nonfederal wildland forest still in wildland forest. Development of wildland forest is uneven across the state with little development occurring in eastern Oregon and relatively large areas being developed around Portland and other metropolitan areas.

Although areas may remain in forest use, it is possible for average levels of development and population to increase within wildland forest. This may change the mix of values produced by these forests and may be a precursor of more rapid development to other uses in the future. To address these concerns, a leading metric, quantifying parcelization of wildland forest, is being developed and a metric for number of structures in land remaining in wildland forest is proposed.

Trend

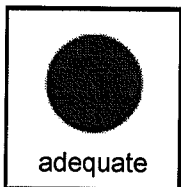


Annualized rates of change in conversion of wildland forest to other uses declined dramatically from 1974 to the mid-1980s and remained at relatively low levels through 2005. Development rates near urban areas are much higher than the statewide averages and are expected to remain at high levels as urban growth boundaries are expanded.

Probabilities for future development are unclear. Ballot Measures 37 as modified 49 will allow additional development and debate continues about Oregon's land use laws. Parcelization of wildland forest continues in Oregon at unknown rates and is a precursor to development. Parcelization will be used in development of a leading metric for land use change.

Additional structures may also be a precursor of land use change and may affect the mix of values produced by forests. Percentage increases in structure counts declined after land use plans were implemented but remained at relatively high levels. Over the last decade, rates of building structures in wildland forest have increased to the rates that existed prior to land use planning. The proposed additional metric for number of structures in land remaining in wildland forest would help track increased development in forest land and would provide information for discussions about increased parcelization and structures.

Information

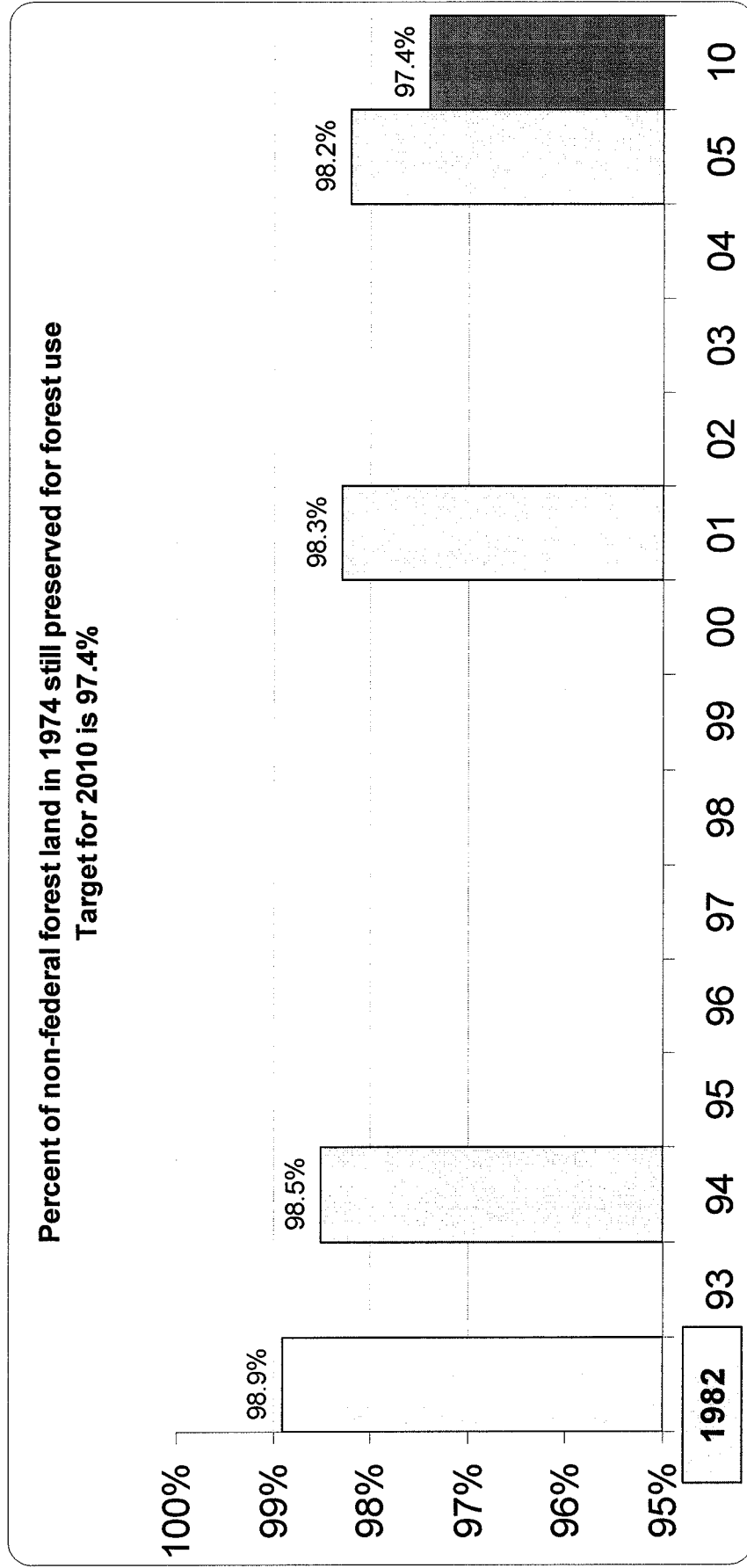


Statewide information is available for this indicator. The data are current and regularly updated by the Oregon Department of Forestry. Complete information is available which is linked to Pacific Northwest Research Station Forest Inventory and Analysis Program field plots and forest landowner surveys. These data, when combined with a metric of parcelization (currently in development), and changes in structure numbers (proposed metric) will allow more thorough analysis of impacts of forest policies on forest fragmentation and production of forest values.

Metrics and Data Sources

Metric	Data Source
Area of nonfederal wildland forest	Oregon Dept. of Forestry
Parcelization of private forestland (being developed)	Oregon Dept. of Forestry
Average structures per square mile on nonfederal wildland forest (proposed)	Oregon Dept. of Forestry

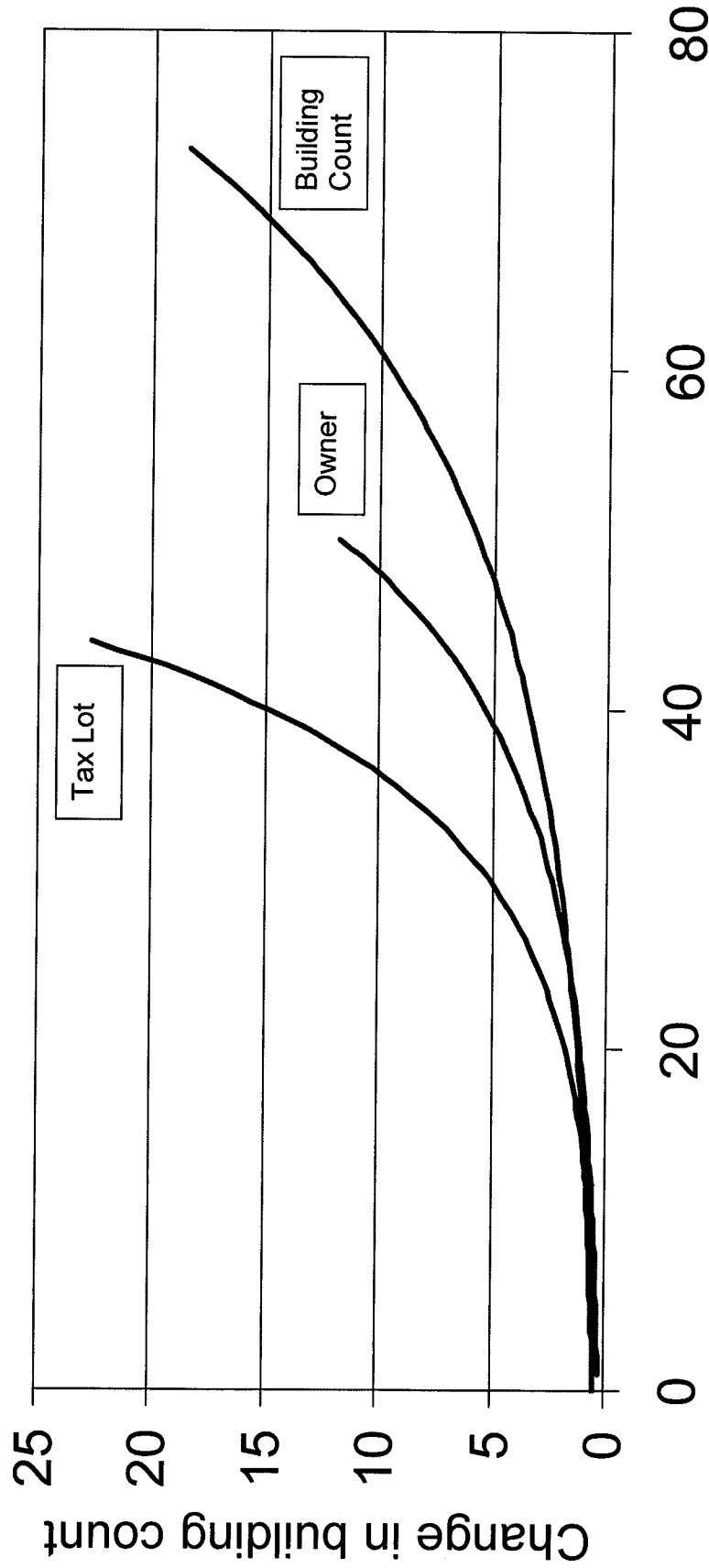
Progress Board Benchmark 82 & Metric of Forest Sustainability C.a.



Indicator C.a.

Recommendation for Leading Metric for Indicator C.a:

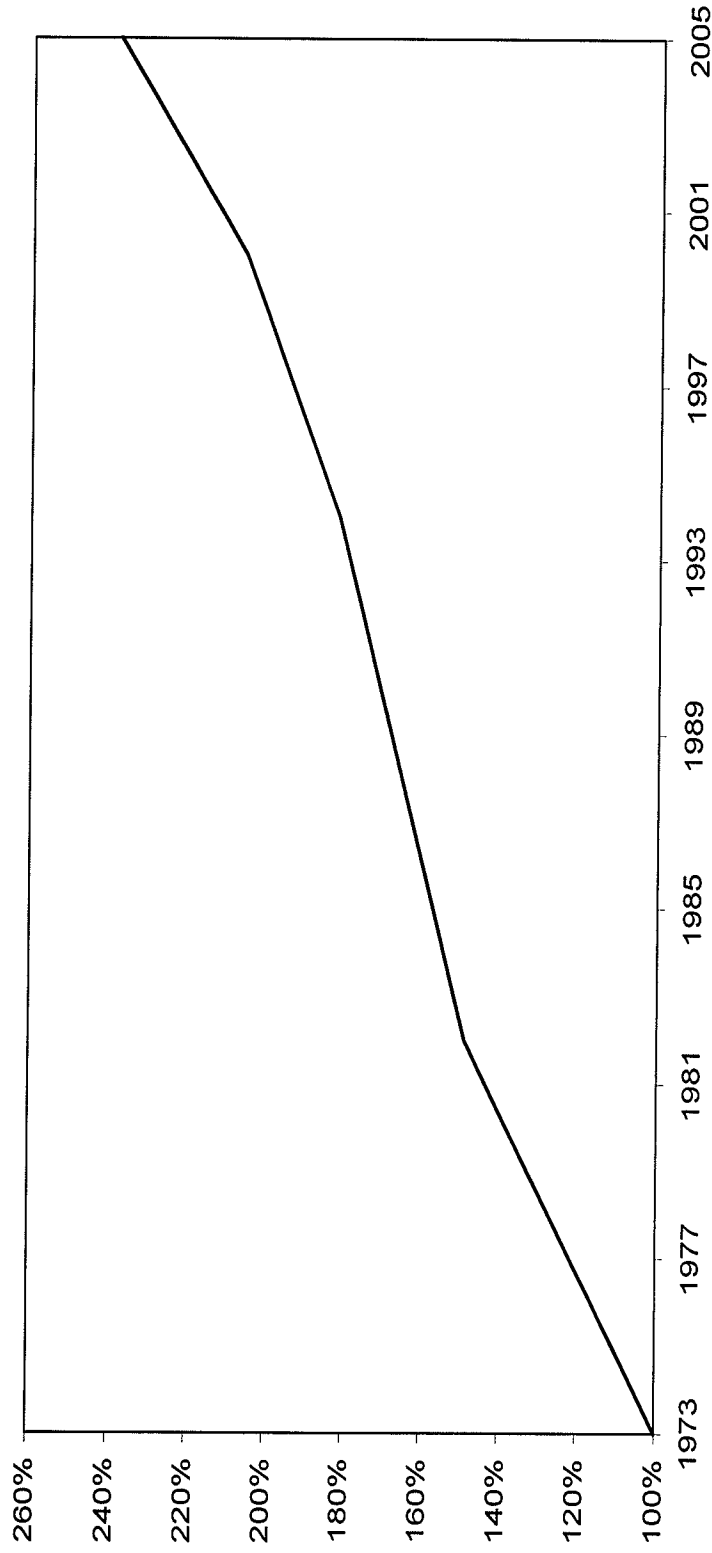
Use Tax Lot Changes—Information Available & Strong Predictor of Future Development



Indicator C.a.

1994 tax lot, owner, or building counts

Proposed Metric: Average Structures per Square Mile on Nonfederal Wildland Forest



Indicator C.a.

Forestry Program for Oregon Strategy C: Maintain and enhance the productive capacity of Oregon's forests to improve the economic well-being of Oregon's communities

Indicator C.b. Timber harvest trends compared to planned and projected harvest levels and the potential to grow timber

Why is this indicator important?

Maintaining timber harvest levels while also meeting other environmental, economic, and social needs is very important to Oregonians. A viable primary forest processing industry contributes to state and local economies, provides raw materials for secondary processing, and helps preserve financial incentives for preventing forest land from being converted to other more developed uses.

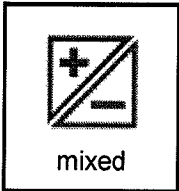
In addition to sustaining state and local economies and providing wood products required by society, timber harvests can help provide environmental and social benefits. Managing tree stocking can enhance wildlife habitat and be part of a management program to help keep fire risk and insect and disease infestations within the historical range of variation.

Target and desired trend

Oregon timber harvest levels are 90 to 110 percent of planned and projected levels (Oregon Progress Board target for Oregon Benchmark 83) and the potential to grow timber is stable or increasing.

What does this indicator tell us about sustainable forest management?

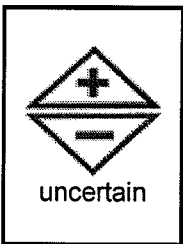
State



Oregon timber harvests have been between 4.3 and 4.5 billion board feet over the last several years. This is well below the 5.0 billion board feet considered to be sustainable under current policies and regulations. Both public and private harvests for both the last decade and the most recent 5 years are sustainable. Private harvest levels have been between 97 percent and 107 percent of target levels over the last 5 years, averaging 102 percent of target levels. Public harvest levels have been between 59 percent and 94 percent of target levels, averaging percent.

Public harvests are well below target levels even though public sustainable target levels have been reduced several times to account for changing plans and policies. Difficulties in planning, offering, and harvesting timber sales on federal lands have resulted from budget constraints and the continued threat of litigation. Public lands are now harvesting approximately 11 percent of public forest's potential for growing timber. Private forests are harvesting approximately 93 percent of private forest's potential for growing timber.

Trend

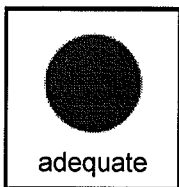


Oregon timber harvests have been relatively stable over the last 5 years. This trend may not continue because of declining prices for lumber and plywood and because of low timber sale levels from Oregon's federal forests.

Family forestland owners are very price responsive and their timber harvests have been declining following declines in stumpage prices related to a weak housing market. Demand for housing is not projected to recover until 2009 and it is uncertain if stumpage prices will then rebound to previous levels.

Harvests from Oregon's federal forests have recovered from their record 2001 lows, but still remain well below planned levels. The Bureau of Land Management's Western Oregon Plan Revision offers the potential of substantially increased timber harvests in western Oregon. It remains uncertain if the final plan will produce the timber volumes shown in the draft alternatives. It is also uncertain if the plan alternatives are legally or operationally feasible.

Information

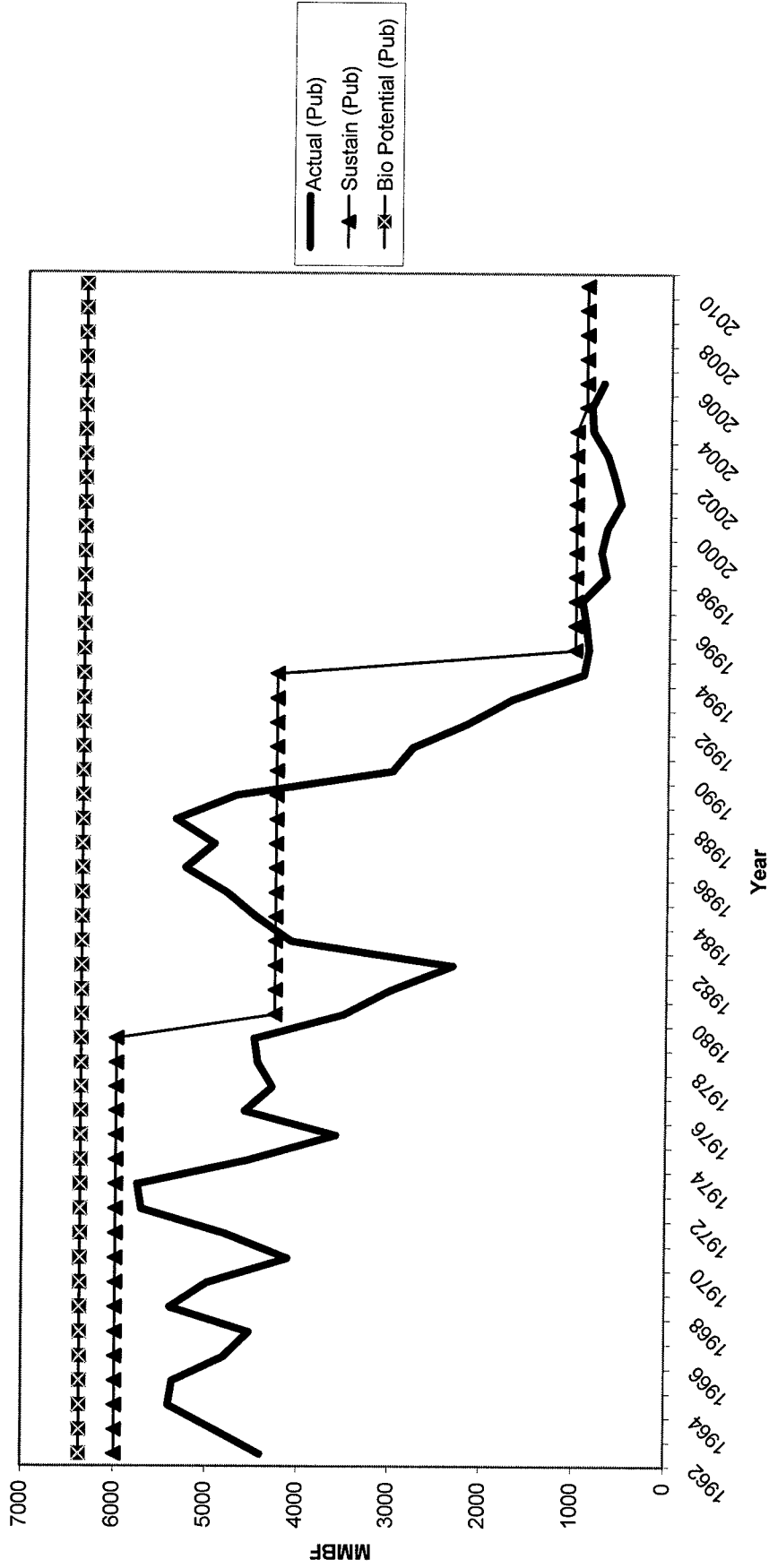


Statewide and county-level information is available for this indicator by ownership group. The data are current and regularly updated from reliable referenced sources by the Oregon Department of Forestry. More aggregated information is available for years 1849-1961.

Metrics and Data Sources

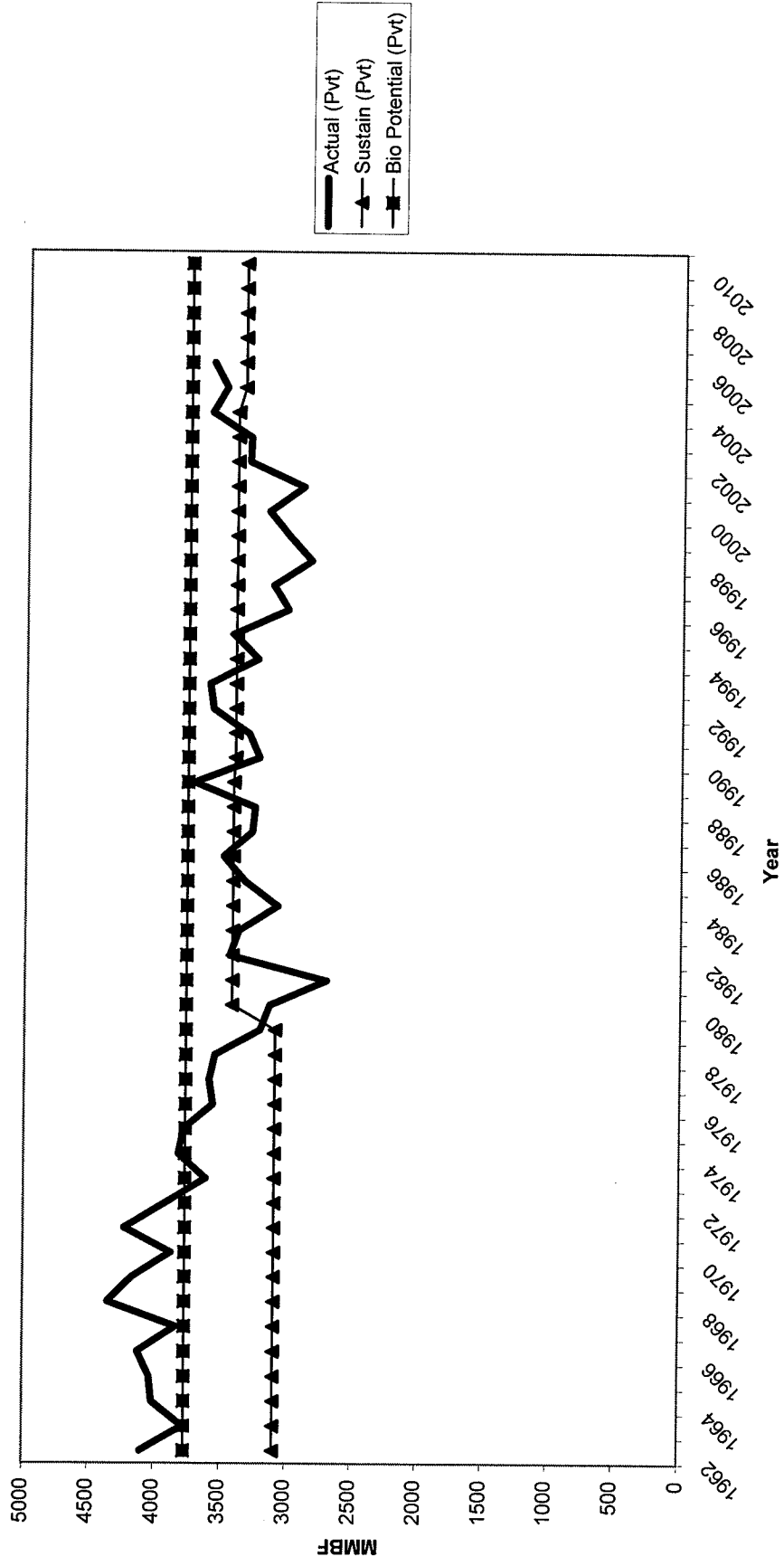
Metric	Data Source
Annual timber harvest volume, compared to the volume expected under current plans and the potential to grow wood, public lands	Oregon Dept. of Forestry Bureau of Land Management USDA Forest Service
Annual timber harvest volume, compared to the volume expected under current and forecasted economic conditions and the potential to grow wood, private lands	Oregon Dept. of Forestry Bureau of Land Management USDA Forest Service

Actual Harvest vs. Sustainable (Public)
Includes Federal, State, Native American, & Other Public



Indicator C.b.

Actual Harvest vs. Sustainable (Private)



Indicator C.b.