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January 6, 2009

To: Oregon Board of Forestry
From: Gary Springer
Re: 2009 Legislative and Budget Update
(Action Item #5)

My name is Gary Springer. I work for Starker Forests in Corvallis. We are a family-owned business, managing about 73,000 acres of Coast Range forestland in Lane, Benton, Lincoln and Polk Counties. Thank you for the opportunity to give you my thoughts on this legislative and budget update agenda item.

First, though, I would like to welcome new members John Blackwell and Steven Wilson to the Board. I also want to thank Jennifer Phillippi for her willingness to serve a second term. Last, but not least, I thank Barbara Craig for her service to Oregon on the Board of Forestry.

When you look over the Governor's Recommended Budget for the Department of Forestry (2009-11 biennium), the General Fund reductions to the Private Forests Program stick out like a sore thumb. I know that taking such a hit to the Private Forests Program was a strategic decision on the part of the Department in order to keep the Fire Program whole and I agree that fire protection must come first. I also know that Marvin and the Department are obligated to support the Governor's budget. In spite of all this, I think that a 37% General Fund cut to the Private Forests Program is unacceptable and I hope the Board agrees with that.

The Forestry Program for Oregon interprets forest sustainability as a three legged stool which can only be kept upright if a balance is maintained between ecological, economic and social outputs. Similarly, the sustainability of the Department of Forestry can be seen as a healthy balance of human and financial resources maintained across State Forests, Fire and Private Forests in the capacity necessary to meet the statutory obligations of all three Programs. The proposed cuts in the Private Forests Program would jeopardize Department sustainability.

The overriding issue here is one that isn't new with this budget proposal. It is the growing unreliability of the General Fund to meet the public obligation for equitably sharing the Private and Fire Program costs. It is an ongoing and increasing problem for the Department. Through state policy there is supposed to be an equal sharing of

program costs through the General Fund and landowner assessments. But state social programs (public education, safety, assistance and health) are a much higher priority and have been consuming more and more of the General Fund pie, in contrast to natural resource programs. Shifting more of the financial burden from the public to landowners (such as proposed in the Governor's budget for fire protection) is not a solution to this problem, but rather another disincentive to own and manage forestland. Such shifts in order to compensate for reduced General Fund support will be vigorously opposed by landowners.

A long-term solution to this problem may need to come from an alternative public funding source that is dedicated to the Fire and Private Forests Program budgets and will maintain equitable cost sharing between private interests and the public. The future sustainability of the Department may depend on divorcing these programs from the General Fund.

To help meet these challenges, I would urge you to call on the assistance of your advisory committees, such as the regional Forest Practices Committees and the Committee for Family Forestlands. Also available to help are landowner and forestry organizations (Oregon Forest Industries Council, Oregon Small Woodlands Association, Oregon Society of American Foresters). I interact with all of these groups and among them you will find a great diversity of opinion on most any given forestry topic. But they all have in common a great interest in the fiscal health of the Department of Forestry and the continued ability of ODF to meet its statutory obligations.

In conclusion, there are two ways to react to these unprecedented budget proposals. The first is "here we go again" - Try to survive on whatever fate befalls the Department's budget this session and hobble on into the future. The second would be to engage the Department's supporters and fight for the best near-term outcome this session and start searching for creative, new long-term solutions that will better position ODF for the future.

I have talked about this challenge with Jim Paul and Peter Daugherty enough to know that they are in favor of the second approach. I encourage you to support and encourage them in that effort.

Gary Springer
Starker Forests