

BOARD ISSUES WORK PLAN – 2009

Issue #2: State Forests
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BACKGROUND

The Department of Forestry manages about 780,000 acres of forestland in Oregon, which accounts for three percent of Oregon's commercial forestland. There are five state forests; the Tillamook, Clatsop, Santiam, Sun Pass and Elliott, plus scattered tracts. Eighty-five percent of the state forestlands are owned by the Board of Forestry; the remaining 15 percent are Common School Forest Lands (CSFL) owned by the state of Oregon. The Department manages CSFL under an agreement with the Department of State Lands and the State Land Board.

Board of Forestry (Board) forestlands are managed to achieve healthy, productive and sustainable forest ecosystems that, over time and across the landscape, provide a full range of social, economic and environmental benefits to the people of Oregon. The Common School Forest Lands are managed to generate the greatest amount of revenue in the long run for the Common School Fund, consistent with sound techniques of land and timber management.

The issues surrounding forest management are environmentally, socially, and economically complex. This complexity, along with an evolving understanding of forest ecosystems and the unpredictable character of many natural events, contributes to uncertainty about the outcomes of forest resource management decisions. It is the goal of the Board and the Department, through the application of adaptive management techniques, to continually improve forest management policies and implementation of policies. This goal is aligned with *The Forestry Program for Oregon* (FPFO), specifically FPFO Key Action E.4: Support continued active management of Oregon's state forests through the use of structure-based management and implementation of science-based monitoring and evaluation (adaptive management).

The administrative rules which govern management of Board forestlands (OAR 629-035-0000 to 0110) define adaptive management as the “process of implementing management plans through a scientifically based, systematically structured approach that tests and monitors assumptions and predictions, and then uses the resulting information to improve management plans or practices.” The Division’s adaptive management framework assists the Board with policy-level issues related to forest management on its forestlands. The nine performance measures adopted by the Board in 2007 are an important component of the adaptive management framework. These measures are a tool for periodically informing the Board on outcomes resulting from management on its forestlands. This adaptive management framework is also being used to inform the Division at the implementation and operational level.

The implementation of the forest management plans also contributes to achieving several FPFO strategies: Strategy B, social and economic outputs and benefits valued by the public in a fair, balanced, and efficient manner; Strategy C, maintaining and enhancing the productive capacity of Oregon’s forests to improve the economic well-being of Oregon’s communities; Strategy D, protecting, maintaining, and enhancing the soil and water resources of Oregon’s forests; Strategy E, contributing to the conservation of diverse native plant and animal populations and their habitats in Oregon’s forests; and Strategy F, protecting, maintaining, and enhancing the health of Oregon’s forest ecosystems, watershed, and airsheds within a context of natural disturbance and active management.

Primary Board Issue #2—How will the Board use an adaptive management approach to inform current State Forests Division policy decisions at the statutory, administrative rule, and Forestry Program for Oregon strategic plan level?

Four key concepts are the foundation for adaptive management within the State Forests Division. The first concept states that “adaptive management is a system of making, implementing, and evaluating decisions that recognizes ecosystems and society are always changing. It is a systematic, rigorous approach for learning from our actions, improving management, and accommodating change.” The second concept recognizes that “adaptive management is not a replacement for decision-making at any level, but a system for making better decisions.” The third and fourth concepts recognize “successful adaptive management requires a well-designed process, including a strong monitoring program,” and it “requires a well-defined framework for dealing with change.”

The adaptive management process and framework are designed to provide for change at the appropriate planning level. The four levels for adapting include: the management activity level; the annual operations plan level; the implementation plan level; and the forest management plan level. The Board is engaged at the forest management plan level, where the overarching goals and objectives for management on its forestlands are articulated. The Division is continually obtaining information from numerous sources, including through applying the forest management plan, monitoring activities, and research projects. This knowledge will inform the Board’s policy decision making on an ongoing basis. Through the adaptive management framework, the Board will be able to accommodate such change and improve the policy direction for management of state forests. The intermediate Board issues in this work plan represent Board policy-level issues that will be considered through the adaptive management framework and inform management improvements. This work plan also includes previous intermediate Board issues that have been completed or expanded to new intermediate issues.

Current Issues and Completed Work

This Board of Forestry (Board) work plan is focused on the following current issues related to adapting the management of its forestlands:

1. Adapting the Forest Management Plan through Performance Measures: Issue has evolved to intermediate issues five and six.
2. The framework for State Forests’ management planning, decision-making, and review has evolved over the past two decades. The adoption of performance measures is a new component of this framework, and these tools need to be integrated. In addition, the Board has expressed an interest in a more timely, systematic and transparent process for reviewing and adjusting the management plans over time. This intermediate board issue will move the generalized approach for obtaining and analyzing information described in the forest management plans to a more specific approach by describing processes and a potential schedule for review and analysis of information and the determination of the scientific and policy implications.
3. Systematic Evidence Review Principles: completed
4. The Board has authority to acquire forest lands and manage such lands to achieve greatest permanent value. The Department’s long-range land acquisition and exchange plans are

brought to the Board for review prior to State Forester approval. In addition, individual transactions are brought to the Board for review and approval, in accordance with Oregon Administrative Rules. The Division's districts are updating long-range plans and anticipate making available up to three revised plans in 2009. Once these long-range plans are approved, districts proceed with high priority acquisition and exchange proposals and present associated information for Board review, and approval when appropriate. The Central Oregon acquisition opportunity in the Gilchrest area is of particular priority, as is a proposal in the West Oregon District. The Common School Forest Land parcels identified for disposal by Department of State Lands require the Board approve decertification of these parcels from the ODF management, prior to the Department of State Lands proceeding with a sale.

5. The nine performance measures adopted by the Board require improvement to ensure they effectively measure whether an appropriate balance of these benefits is being provided under the management of its forestlands. The 2007 Board-adopted measures span the breadth of the social, economic and environmental benefits to be provided under "greatest permanent value," and are an important tool for periodically informing the Board on outcomes resulting from management of its forestlands. The improvement work will include examining the metrics that support the measures, the targets associated with each of the measures, and how the measures can be used for the state forestlands outside the north coast region (Clatsop and Tillamook State Forests).
6. The Board continues its examination of the balance of benefits provided through forest management on the Tillamook and Clatsop State Forests. Work begun in 2008 to develop a management approach and associated strategies to achieve all nine performance measures on these two forests will continue in this work plan. This work includes assessing under a possible adjusted management approach what, if any, additional strategies might be needed for species of concern.
7. The Elliott State Forest planning process is developing a revised forest management plan and federal habitat conservation plan. This project will require Board action in 2009 after the National Environmental Policy Act process concludes, and lead to a Federal record of decision. At that time, consideration and final approval of the forest management plan, and approval to obtain a revised Federal incidental take permit will need to be provided by the Board and the State Land Board.
8. Recreation use is continuing to increase and diversify on Board forestlands. A number of years have passed since the Board last engaged in a conversation about State Forest recreation policy. Significant progress is being made in developing and managing the recreation infrastructure, and to improve the program. The 2008 Recreation Action Plan, in response to the 2007 second party assessment, affirms as one of the highest priority actions the need to again conduct a strategic visioning process. This process would lead the Board to revisit, reaffirm or revise its policy direction for forest recreation.
9. The Board has directed the Department to improve the economic performance on its forestlands, as reflected by its target for performance measure #3: Increase the annual revenues (five-year average) adjusted for inflation within the next ten years, and meet or exceed that level for the subsequent ten years. As part of this work, the Department will explore opportunities found in the continuous improvement plan identified at the November 2008 Board meeting (e.g., ecosystem services), and such opportunities to improve business practices (e.g., marketing strategies). In addition, the current global, national and regional economic situation has increased the need to explore all opportunities to diversify the

Departments revenue streams that support state forest management, which provide social, environmental and economic benefits.

10. The Board has directed the Department to initiate a review and revision process for Oregon Administrative Rules 629-035-0020 and other portions of chapter 629, Division 035, necessary for the development of a new plan (or plans). If new plans are to be developed, a more efficient planning process, as spelled out in OAR, is in order.

Intermediate Board Issue 1—Adapting the Forest Management Plans through Performance Measures

Issue has evolved to intermediate issues five, six and seven.

Intermediate Board Issue 2—Assess the review framework for State Forests (adaptive management)

Historical Context

The framework for State Forests' management planning, decision making, and review has evolved over the past two decades. The adoption of performance measure targets, and the Board interest in a more timely, systematic and open review process, necessitates a review and revision of this framework.

At the March 2008 Board meeting, staff presented a background paper that provided historical information and context on the State Forests decision-making framework. Three questions were proposed for the Board to address: 1) how and where State Forests performance measures be codified in policy; 2) are any modifications to State Forester / BOF decision authorities necessary; and 3) what refinements can be made to the review framework to incorporate performance measures and make it more effective overall? The Board decided discussion of the first two questions was premature and asked for the third to be developed, with options. This work plan continues consideration of question three and how best to ensure transparency in Board review actions related to management on its forestlands.

At the July 2008 Board meeting staff presented a draft issue paper outlining alternative approaches to the review framework. The Board requested further discussion on the framework at a future Board meeting.

Board Products

1. The Board will approve a State Forests review framework that identifies and describes:
 - a. The biennial report of performance measures;
 - b. The assessment of results of research and monitoring to determine effectiveness of forest management strategies; and
 - c. The process for analyzing information from these reviews for scientific and policy relevance in Board of Forestry decision-making.
2. The resulting framework may be articulated in Board policy form and/or as revisions to existing Oregon Administrative rules (OAR).

Research and Information Needed

Resources necessary to support this work must be prioritized between this and many of the other board work plan products – the agency will be facilitating this process with existing resources. Staff has developed an issue paper for the Board that identifies possible alternative approaches to the review framework and their implications, as well as proposed adjustments to reporting requirements.

Stakeholder and Public Involvement

Stakeholder involvement will primarily be through Board meetings and review of Board materials. Staff will develop a summary of feedback received from stakeholders at Board meetings. Should adjustments or additions to OARs be needed, a formal rule making process with the associated public process would be undertaken.

Timeframe w/Milestones

TBD	Information Decision	Board review and discussion of issue paper which outlines several alternative approaches and their implications for constructing the revised framework. Board feedback and decision on Department’s recommendation on the review framework.
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TBD	Decision	Final approval of State Forest review framework. If needed, direct the Department to begin an administrative rule revision process to update the forest management plan language.
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Resources Required

If the improved review framework results in a need to update forest management plan language, additional staff time will be needed to facilitate this process.

Monitoring Achievement of this Intermediate Board Issue

Implementation of the approved framework will result in the Board biennial performance measure reporting and the assessment of research and monitoring results will be more systematic. The review framework is intended to facilitate overall monitoring of Board policy decisions related to State Forests.

Intermediate Board Issue 3—Systematic Evidence Review (SER)

This intermediate issue was completed in 2008. The Board directed the Department to further explore SER concepts in internal work and collaboration with other agencies and entities on subjects of mutual interest.

Intermediate Board Issue 4—Review Long-range Land Acquisition and Exchange Plans or approve specific proposals

Historical Context

At the March 2007 Board meeting, a Staff Report and Issue Paper were presented that evaluated the Oregon Administrative rules governing land acquisitions and exchanges. The Staff Report recommended the Board defer revising the current OAR for land acquisition and exchange until the results of other policy discussions surrounding alternatives for acquiring land are known. The Board approved this recommendation, and staff drafted Division operational policy, procedure and guidance documents consistent with the current rule. The Division also began updating district long-range acquisition and exchange plans, and proceeding with high priority acquisition and exchange opportunities as they arose.

The 2009 Legislature resulted in updates to Board of Forestry authority (HB 2216) enabling the Board to acquire lands that are encumbered by conservation easements or other agreements, and allows the Board to grant conservations easements or enter into partnerships regarding land ownerships. These authorities apply only to lands acquired from here forward. The update also freshened the various bonding mechanisms available to the State, including revenue bonding and general obligation bonding, so that the Department is well positioned to act on potential future acquisitions that may arise.

Board Products

1. The Board will review updated district long-range acquisition and exchange plans prior to State Forester approval.
2. The Board will consider for approval individual land acquisition and exchange proposals.
3. The Board will review and approve the decertification of CSFL parcels prior to disposal by DSL that are consistent with the DSL's Asset Management Plan.
4. The Board will review and refine as needed, its strategic direction (currently expressed in Forest Management Plan land base goals) as a result of HB 2216, and may review and revise the OAR for land acquisition and exchanges.

Research and Information Needed

District staff will obtain information needed for acquisition and exchange plans, consistent with policy guidance.

Staff will gather information as required by OAR and Department operational policy.

Staff will develop an Issue/Opportunity paper to be used for the Board's strategic discussion related to land acquisitions and exchanges.

Stakeholder and Public Involvement

Public comments will be solicited as part of the process for conducting land acquisitions and exchanges as required in the OAR.

Timeframes w/Milestones

January	Decision	Board reviewed the North Cascade and Astoria District long-range acquisition and exchange plans.
July	Information	Department will provide an update on the Gilchrist parcel acquisition.
TBD	Decision Information	<p>Board will review the Klamath-Lake District long-range acquisition and exchange plan prior to State Forester approval.</p> <p>Board will consider approval of individual land acquisition and exchange proposals.</p> <p>Board will review and approve decertification of CSFL parcels prior to disposal by DSL.</p> <p>Board will review the need to revise current land acquisition and exchange OAR; make a decision if appropriate.</p> <p>Board will review and refine as needed, its strategic direction for land acquisitions and exchanges.</p>

Resources Required

Salem and district staff time will be needed to: draft and review land acquisition and exchange plans; develop, review and process subsequent proposals; and review and provide input on proposals for disposal of CSFL parcels by DSL. Resources necessary to support this work must be prioritized between other field and staff work.

Monitoring Achievement of this Intermediate Board Issue

Progress on this issue will be evaluated at each session, and reflected by approval of land acquisition and exchange plans and/or proposals.

Intermediate Board Issue 5—Improve the Board’s Performance Measures for the State Forests Division

Historical Context

The Board of Forestry (Board) adopted nine performance measures that span the breadth of the social, economic and environmental benefits to be provided under “greatest permanent value.” These performance measures are an important tool for periodically informing the Board on outcomes resulting from management of its forestlands. The Board will continue improving these tools to ensure they effectively measure whether an appropriate balance of these benefits is being provided under the management of its forestlands. The November 2008 performance measure report discussed possible improvements for each of the nine performance measures.

At the June 2009 meeting, the Board directed revisions be made to the Northwest Forest Management Plan. These board-directed revisions may result in Board work that will align the Board-approved performance measure targets with the anticipated outcomes of the revised plan.

Board Products

1. The Board will consider and approve adjustments to the performance measures that accurately represent Board intent, and effectively measure the appropriate outcomes.
2. The Board will consider and approve adjustments to the metrics that support the performance measures with the data needed to be effective measurement tools; this could include new metrics where appropriate, or the removal of existing metrics.
3. The Board will identify performance measures and targets for state forestlands outside the North Coast districts.
4. The Board will consider revising the target for Performance Measure 3 to be more inline with its June 3, 2009 decisions.

Research and Information Needed

The Board can begin its conversation on this issue with the research and information provided through the November 2008 performance report. This information includes suggested wording adjustments to the measures or metrics. Additionally, there are a number of efforts underway that will lead to improvements to these measures, also discussed in the 2008 report. Further research and information gathering will be required if the need for new metrics is established. Staff will provide information obtained from the districts relative to the application of these measures on state forestlands outside the North Coast districts; while initial scoping work has been conducted, further work will be needed to support this component of the issue.

~~At the March meeting, the Board will help identify: 1) what order of relative priority it would assign to any one performance measure or aspect of this work; and 2) what additional information beyond that provided by the report is needed to facilitate a good discussion of this issue (improving all nine performance measures and supporting metrics).~~

Stakeholder and Public Involvement

The level of Staff will review and seek input on the performance measure information with beneficiaries, advisory committees and stakeholder groups has not been determined.

Timeframes w/Milestones

September, 2009	Discussion / Decision	Establish priority, timelines, and expectations Review and confirm the process, establish clear timelines and expectations, and frame key questions to be addressed
April	Decision	See Intermediate Board Issue 2
TBD	Information and Discussion	

Resources Required

Resources necessary to support this work must be prioritized between this and many of the other board work plan products. Additionally, the Board may require some preparation and response

time between meetings. No additional funding is likely to be available – the agency will be facilitating this process with existing resources.

Monitoring Achievement of this Intermediate Board Issue

Progress on this issue will depend on the pace and scale of the Board work decided upon during the **September** ~~March~~ meeting and will be evaluated at future Board meetings. Over the long-term, staff will present the Board with updated information, results, and background information on each performance measure on a biennial basis. Improvements to the performance measures (metrics and targets) are anticipated to continue as new information becomes available.

Intermediate Board Issue 6—Improve the Northwest Oregon Forest Management Plan to achieve desired outcomes

Historical Context

During the November 2007 meeting, the Board discussed performance measures (PM) specific to the Clatsop and Tillamook State Forests, and adopted quantitative targets for Performance Measure 3 – Financial Contributions to Government Services – and PM 6 – Wildlife Habitat, and set qualitative targets for six other performance measures. The Board adopted a quantitative target for PM 5 – Forest Road Risk and Fish Habitat – at its January 2008 meeting. The Board then directed the Department to develop a management approach and strategies for these two forests that would achieve both the quantitative and qualitative performance measure targets. Currently, the Northwest Oregon State Forest Management Plan, as applied on the Clatsop and Tillamook State Forests, does not achieve all the performance measure targets.

The Department conducted work in 2008 to describe a management approach and associated strategies that would achieve all nine of the performance measures for the Tillamook and Clatsop State Forests. The management approach was modeled as the “performance measure” approach. The performance measure approach simulated strategies that attempted to meet the performance measure targets, including achievement of a 20 percent long-term complex structure goal across the landscape within 20 years and increasing revenues by 30-35% in the first decade.

At the November 2008 meeting, the Department presented information on model results, an analysis of the effects of the “performance measure” management approach on all nine performance measures, and initial findings from a preliminary qualitative evaluation of potential effects on habitat for native fish and wildlife. The Department made a recommendation to the Board, which was adopted with some modifications.

The Board directed the Department to pursue an increase in timber revenues by implementing incrementally 3% per year, while on a trajectory toward the 30-35% revenue target. This increase is subject to a number of changes, including development of policy and strategies for species of concern. It was recognized that this work could result in adjustments to the current forest management plan, including removal of reference to a federal habitat conservation plan. The Board also requested “additional information about different alternative scenarios for increasing revenues, including: assess opportunities for increasing revenue that hold PM 3 harmless while allowing PM 6 to float; and account for habitat contributions by areas unavailable for harvest outside the 20% complex structure mapped to meet PM 6.”

The Board affirmed its direction to pursue designation of 20 percent of the Clatsop and Tillamook State Forests towards complex structure development, located where it is anticipated to develop within 20 years and provide greatest benefit to species of concern. The Board also directed the Department to continue its species of concern work within the scope of the Department's recommendation, and consistent with the Greatest Permanent Value rule and the current forest management plan guiding principles. Steps for this work would include:

- Hold preliminary policy discussion with Board that includes a discussion of scientific review options;
- Provide information for the Board that includes:
 - The evaluation of the Base Case and PM model runs that includes:
 - A risk assessment that includes an assessment of the probability to maintain or enhance habitats for species of concern.
 - Possible mitigation approaches with recommendations.
 - Outside scientific assistance and review.
 - Conduct Board species of concern policy development workshop
 - Develop species of concern strategies in line with BOF policy guidance

Following the November meeting the Department worked to develop a draft Board work plan to address the direction provided. The draft Board work plan is intended to represent the Board's direction while balancing feedback from the Board to act in a timely manner. If Board direction expands the scope of the work outlined in the draft work plan a new timeline will be developed.

In April, 2009 the Board reviewed status of fish and wildlife in Oregon, additional modeling results outlining possible combinations of forest outputs, and draft strategies for species of concern.

In June 2009, the Board directed staff to revise the Northwest Forest Management Plan and Southwest Forest Management Plan to remove reliance on the draft Western Oregon Habitat Conservation Plan and to modify the Northwest Forest Management Plan to allow a different balance of benefits.

Board Products

1. The Board will consider and decide upon the adoption of a species of concern strategy developed through the Department's work. The species of concern strategy would replace current forest management plan language referencing strategies that would be developed through a federal habitat conservation plan process.
2. The Board will decide on a management approach for the Tillamook and Clatsop State Forests, including the adjusted forest management plan language that would be used for rulemaking.
3. Revised draft Forest Management Plans reflecting Board direction.
4. ~~The Board would~~ Direct the Department to proceed with rulemaking.
5. Approved revised Forest Management Plans.

Research and Information Needed

Staff will work collaboratively with the Oregon Department of Fish and Wildlife to provide the following types of research and / or information:

- Species of concern status information (What species are at risk and what are their habitat needs?) where available.
- Data and models to assist in the analysis of proposed management approaches presented and requested in November 2008, including new assessment of opportunities for increasing revenue – holding performance measure three harmless, and the recalibration of the performance measure, base case, and wood emphasis run.
- The Department will provide a recommendation on a management approach to achieve performance measure targets.
- Background and / or issue papers:
 - a. Proposed species of concern strategies and current (draft HCP strategies) – what is different and what has changed?
 - b. Species of concern analyses relative to different management approaches (performance measure, base-case); the analysis will include existing and any potential new strategies; and
 - c. An evaluation of how different management approaches might affect achievement of all nine performance measures.
- Proposal on final strategy language to replace existing language in the forest management plan (including reference to the federal habitat conservation plan), and to be contained in Division operational policy language. The final strategy language would form the basis of rulemaking language.
- A proposed rulemaking timeline.

Stakeholder and Public Involvement

Staff will work with the Oregon Department of Fish and Wildlife to ensure biological input relative to the species of concern work.

Board has received ongoing input from the Forest Trust Land Advisory Committee and the public throughout the ongoing review and revision process on the forest management plans.

Addition input will be received through the rule making process.

Timeframe w/Milestones

March	Discussion / Decision	Review and confirm the process, establish clear timelines and expectations, and frame key questions to be addressed.
April	Information	ODFW presentation of species status and habitat needs information.
	Information	Department presents results of four management approaches (model runs).
	Information	Department presents the species of concern background paper with current and proposed strategies (“b” above).
	Decision	Board considers Department recommendation on a management approach to achieve performance measure targets and directs continued use of the proposed species of concern strategies in an analysis on the “performance measure” model or provides alternative direction.
June	Information	Department presents a background paper on the completed species of concern evaluations of the performance measure management approach and of one possible implementation approach of the current forest management plan.
	Information	Department presents an evaluation of how the “performance measure” management approach affects all nine performance measures.
	Decision	Board consideration and decision on changes to the Northwest Forest Management Plan that would allow moving in a trajectory towards achieving the performance measure targets for the North Coast districts. This would include replacing the current species of concern strategies (draft habitat conservation plan strategies) with the proposed strategies.
September	Information	Department presents adjustments to forest management plan (specific language for administrative rule making process); including proposed final strategy language for forest management plan (species of concern strategy, structure goals and definitions, landscape design description, etc). This would also include a level of information regarding final language that will be in either Implementation Plan or Division operational policy.
	Information	Department presents a rule-making timeline.
September	Decision	Board consideration and approval of rule language (FMP adjustments) Review draft Forest Management Plans and direct staff to proceed with rule-making.
April 2010 or TBD	Decision	Continue implementation of rulemaking timeline.
		Department will continue other work including identifying

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plan

acres that currently provide unique forest habitat that are not currently defined or accounted for in the five structure classes under the northwest and southwest forest management plans.

Review rulemaking process and input. Approve revised forest management plans.

Resources Required

Resources necessary to support this work must be prioritized between this and many of the other board work plan products. Additionally, the Board may require some preparation and response time between meetings. No additional funding is likely to be available – the agency will be facilitating this process with existing resources.

Monitoring Achievement of this Intermediate Board Issue

Decisions that result from this work will improve forest management plans. The Board's adaptive management review framework, which includes biennial performance measure reports, will inform the Board as to whether or not approved forest management plans are achieving its desired outcomes.

Intermediate Board Issue 7—Approve Revised Elliott State Forest Management and Federal Habitat Conservation Plans

Historical Context

The Elliott State Forest Management Plan was approved in 1994, followed in 1995 by a federal Habitat Conservation Plan (HCP). The incidental take permit on this HCP extended 60 years for the northern spotted owl, but only six years for the marbled murrelet. Due to the end of the six-year permit for marbled murrelets, focused planning for revision of the forest management plan and the habitat conservation plan began in early 2000. The final draft of the forest management plan was made available for public review and comment at public meetings in September 2005. In January and February 2006, the Board of Forestry and the State Land Board approved continued development of the habitat conservation plan consistent with the strategies in the draft forest management plan.

Habitat conservation plan negotiations with the federal services (U.S. Fish and Wildlife Service, or FWS, and National Oceanic and Atmospheric Administration National Marine Fisheries Service, NMFS) began in September 2004, and continued through June 2006. In the fall of 2004, a contractor was hired to assist with the National Environmental Policy Act process and with writing the required Environmental Impact Statement. The contractor received the habitat conservation plan in June 2006 and began developing the analysis for the draft environmental impact statement. The development of the draft environmental impact statement extended through summer 2008, at which time the document went out for public comment. **Public comments have been received and are under review by the federal services.**]

~~The record of decision and issuance of an incidental take permit by the Services is expected in November of 2009.~~

Board Products

1. The Board will receive a progress update on finalizing the Federal Environmental Impact Statement and **status of the Habitat Conservation Plan as the situation develops** and the concluding steps in the National Environmental Protection Act process.
2. The Board will consider and may provide conditional approval to proceed with obtaining a revised federal “incidental take” permit, dependent on a favorable federal Record of Decision, **or will consider alternative pathways as necessary.**

~~It is anticipated that in January 2010 the following products will be provided the Board:~~

- ~~1. The Board will consider final approval of forest management and habitat conservation plans for the Elliott State Forest.~~
- ~~2. The Board will consider final approval to obtain a revised Federal incidental take permit for the Elliott State Forest habitat conservation plan.~~

Research and Information Needed

The information related to this issue has been largely developed. However, staff will develop project updates for the Board.

Stakeholder and Public Involvement

Extensive public outreach was conducted throughout the development of the forest management plan and the initial drafts of the habitat conservation plan. The project is now in the Federal National Environmental Protection Act process. This process provided a 90-day public comment period from August to November 2008, and provides for a final 30-day comment period that should occur late summer of 2009. No additional public input is planned **until the federal processes are complete.**

Timeframe w/Milestones

March	Discussion / Decision	Review and confirm the process, establish clear timelines and expectations, and frame key questions to be addressed.
September TBD	Information	Department provides Status report of habitat conservation plan / Elliott forest management plan processes. Board conditional approval to proceed with obtaining a revised federal “incidental take” permit, dependent on a favorable federal Record of Decision (the record of decision and permit issuance activities are anticipated in late November or December).
January 2010 TBD	Decision	Board review, discussion and agreement to approve the final Elliott State Forest Management Plan.
	Decision	Board directs the State Forester to obtain the revised “incidental take” permit from the Federal Services, and sign the implementing agreement for the habitat conservation plan.

Resources Required

Resources necessary to support this work must be prioritized between this and many of the other board work plan products. Additionally, the Board may require some preparation and response time between meetings. No additional funding is likely to be available – the agency will be facilitating this process with existing resources.

Monitoring Achievement of this Objective

Progress on this issue will be evaluated based on approving the two draft plans and on the successful attainment of a revised incidental take permit.

Intermediate Board Issue 8—Reaffirm the Board’s vision for recreation on its forestlands

Historical Context

The Board’s State Forests policy direction is currently spelled out in the 1993 *Tillamook State Forest Recreation Plan* and approved forest management plans. In recent years, significant progress has been made in developing and managing recreation infrastructure, particularly on state forests in northwest Oregon. User demand has also increased dramatically and diversified during that time. In the last 10 years, specific recreation action plans have been developed for several state forests, and recreation guidance has been expressed and integrated within the Northwest Oregon State Forest Management Plan. However, no recent, overarching policy guidance exists to inform forest recreation planning decisions.

In 2007, ODF completed a Second Party Assessment of the recreation program. In response, the Department initiated a work group that developed a Recreation Action Plan to address the key findings outlined in the assessment. One of the highest priority items the action plan identifies is the need to conduct a process to develop and express a strategic vision for recreation, and associated high-level strategies. This vision and the strategies expressed would address the role and level of contribution to be provided by State Forests regarding forest recreation, and provide the highest level recreation policy guidance for forest management planning. In turn, this high-level policy would inform incremental recreation planning and opportunity assessment, as called for in specific implementation plans and local district action plans.

An ambitious work plan was outlined for 2009 involving the Board of Forestry in multiple sessions to discuss and develop this high level guidance. Due to budget reductions, competing workloads and priority clarification, the Department is proposing a revised process that can produce a viable and useful product that addresses the need. The process will be conducted by the Department with the involvement of local recreation advisory committees and the State Forest Advisory Committee and as proposed, will provide two direct opportunities for Board of Forestry involvement: the first at a workshop on the topic, and the second near the close of the process.

The intent through this process is to develop a comprehensive recreation guidance document for all State Forests that expresses a common vision, desired future condition and overarching strategies. The document will also describe how the comprehensive recreation plan will be integrated with forest management planning and annual operation planning processes at the local

level; principles for evaluating future opportunities; and principles and processes for involving and partnering with user communities and recreation cooperators.

Board Products

The final product at the end of this effort will be a Department-approved, vision-level direction specific to State Forest recreation. This “vision” can be then embedded within the forest management plans through future revision and rulemaking efforts. The Department can then use this high-level policy direction to develop more specific programmatic policy or guidance, and to inform integrated implementation and annual operations planning.

1. ~~The Board will review a background paper that will include an overview of past and present Board policy direction on state forests’ recreation, and a summary of current recreation management. A Board field tour may be conducted to provide an on-the-ground sense of the recreation program, specific management issues, user demographics and information, and past levels of investment.~~
2. ~~The Board will review a summary of the recent Recreation Needs Analysis prepared by James Kent Associates, and engage in a discussion to affirm and/or refine a set of key questions to address the strategic vision for state forest recreation management.~~
3. ~~The Board will review feedback from beneficiaries, advisory committees, recreation users and cooperators. This feedback may be through a panel discussion or a multi-stakeholder dialogue report.~~
4. ~~The Board will identify and develop core values, principles and vision elements for recreation management.~~
5. ~~The Board will affirm or revise, and approve policy direction for recreation management that may include amending the forest management plan.~~

~~At the end of this work effort that extends into the 2010 work plan, the Board product will be vision-level direction specific to recreation. This “vision” can be then embedded within the forest management plans through future revision and rulemaking efforts. The Department would then use this high-level policy direction to develop more specific programmatic policy or guidance, and to inform integrated implementation and annual operations planning.~~

Research and Information Needed

~~During the coming 12-month period, staff could provide the Board with the following types of research and information to inform this process, including:~~

- ~~▪ Background on the history of Board direction relating to recreation, including a review of existing direction found in statute, administrative rule, and forest management plans.~~
- ~~▪ Characterization of the current extent, type and niche of state forest recreation, including past and current levels of recreation investment.~~
- ~~▪ An assessment about the existing supply of forest recreation on all ownerships, and analysis about trends relating to recreation use and demand.~~

Stakeholder and Public Involvement

Opportunities to engage with state forest recreation users and stakeholders will be offered through public meetings. Information may also be provided to the Board through a multi-stakeholder dialogue report.

Timeframes w/Milestones

A series of work sessions will be planned at subsequent meetings to develop, refine and approve the final end products. This series of work sessions are planned as follows:

March	Discussion/ Decision	Review and confirm the process, establish clear timelines and expectations, and frame key questions to be addressed.
TBD Session 1: Background and Setting the Stage	Information	Department presents background paper to provide history and context about the existing recreation program and past planning efforts, including past and existing Board direction on recreation. Preview of Session 2 and available background information.
TBD Session 2: Understanding the Recreation Resource	Information	Create a solid understanding of the state forest recreation resource, including focus on specific types of resources, issues, user demographics and information, and past levels of investment. Note: potential to link this session to a field tour.
TBD Session 3: Existing Supply and Demand	Information	Department presents an analysis of supply and demand information for forest recreation. Close with a focus on key questions to address Board visioning related to State Forests' recreation. Preview of Session 4.
TBD Session 4: Stakeholder Input Opportunity	Information	Department provides an opportunity for the Board to hear from forest users and recreation cooperators about their interaction with the State Forest recreation resource. Information and Discussion Discuss the State Forest planning hierarchy and where direction about recreation vision would best reside. Preview of Session 5.

TBD Session 5	Information and Discussion	Department facilitates a Board process to identify core values, principles and vision elements, with the first four sessions as context and preparation.
	Decision	Board work results in direction that staff can act upon and package to create a draft product for Session 6. Preview of Session 6.
TBD Session 6	Information	Board reviews the draft products developed from Session 5 by staff and made available to the Board for review prior to this meeting.
	Decision	Board discussion, amendments and final guidance elements. Discuss implementation of this guidance, and commitments to be made for follow up.
TBD	Discussion / Decision	

Resources Required

Resources necessary to support this work must be prioritized between this and many of the other board and staff work plan products. ~~This process will require 2-3 hours of Board time at each meeting. Additionally, the Board may require some preparation and response time between meetings.~~ No additional funding is likely to be available – the agency will be facilitating this process with existing resources.

Monitoring Achievement of this Intermediate Board Issue

Progress on this issue will be evaluated at each session. Monitoring of the broader State Forests recreation business is done through State Forests Performance Measure 7.

Intermediate Board Issue 9—Evaluate opportunities for improving economic performance on Board of Forestry forestlands (timber and ecosystem services)

Historical Context

In 2007, the Board of Forestry (Board) adopted nine performance measures intended to inform it of outcomes resulting from State Forests’ forest management plans. The Division completed work under the 2008 Clatsop/Tillamook Strategies project that focused on identifying a management approach to best meet all nine performance measures on the Clatsop and Tillamook State Forests, and the established targets for these forestlands. This project indicated the target for performance measure #3 of increased revenue on these forestlands could not be met by relying only on timber harvests and existing business practices.

Additionally, economic conditions at the local, regional and national level have dramatically declined, resulting in coinciding declines in the revenue derived from timber sales. This economic downturn has consequences for the ability of the Division to meet sustainable harvest projections and revenue distributions to the Trust Land Counties, and to maintain services that contribute to all nine performance measures.

The Division is examining opportunities for improving economic performance. Such opportunities include evaluating the merits of certification, exploring new opportunities that may require Board-level discussion (changes to statutes) and re-examining business practices within the Division.

Board Products

1. Policy direction where needed.

Research and Information Needed

Staff will continue scoping this work, and develop background and/or issue papers relative to identified opportunities for use in supporting any discussions and decision-making. ~~Resources necessary to support this work must be prioritized between other field and staff work—the agency will be facilitating this process with existing resources.~~

Stakeholder and Public Involvement

Staff will review and seek input on the potential new management approaches and strategies with beneficiaries, advisory committees and the public.

Timeframe w/Milestones

March	Discussion / Decision	Review and confirm the process, establish clear timelines and expectations, and frame key questions to be addressed.
TBD	Discussion / Decision	Department will provide issue/background papers.
TBD	Discussion / Decision	

Resources Required

Staff is being dedicated to this effort; no additional funding will be required at this time. **Resources necessary to support this work must be prioritized between other field and staff work – the agency will be facilitating this process with existing resources**

Monitoring Achievement of this Intermediate Board Issue

Board monitoring will depend on the direction and decision the Board provides as these opportunities are explored and presented.

Intermediate Board Issue 10—Review and revise OAR 629-035-0020, -0030, and any other components of Division 35 the Department deems necessary to ensure an efficient and effective policy decision-making framework for both the Board and the Department.

Historical Context

Events leading to the development of the current “Greatest Permanent Value” (GPV) rule and other planning rules associated with State Forests management.

1993: A conflict arose over a timber sale in the Cascade foothills. In subsequent dispute resolution mediation, the Department agreed to enter rulemaking on long-range planning and greatest permanent value.

1995: Legislative Session – In response to growing concerns about harvest levels by the counties and others, the Department’s budget for the 95-97 biennium included a budget note directing the agency to work with the counties on a policy statement that would clarify the purpose of the lands, and more clearly codify the counties interest in these lands.

A task force was appointed and charged to develop a policy statement describing the purpose of the lands and the relationship between the state and counties. Efforts were focused on developing a legally defensible interpretive rule to evidence the understanding of the counties in transferring these lands to the state, and to describe the continuing relationship, as well as interpret the statutory language and reflect the applicable judicial decision.

1998: These concerns and subsequent actions culminated in the administrative rules adopted by the Board.

2001: The Board adopted the Northwest and Southwest Forest Management Plans (NWFMP & SWFMP)

The 2001 NWFMP represents the Board and Department’s interpretation of the GPV rule at that time. With adoption of the plan, the Board adopted a key assumption, one validated at the time by scientists: If we focus on developing high levels of diverse fish and wildlife habitat in this mostly even-aged forest, we would in the process meet people’s desires for other benefits, such as timber revenue, jobs, and other social benefits.

June 2009: Eight years of experience has shown that a stated goal to provide both high levels of improved wildlife habitat and timber production was not achievable. Thus, the Board decided to make revisions to the NW & SW FMP’s that will result in a rebalance of the social, economic and environmental benefits being provided. The Board also decided to revisit the foundational policy framework (the GPV rule and other related planning rules), of which the plan was built upon.

Board Products

1. An involvement process that engages the Board, an advisory committee (Makeup TBD), and the Forest Trust Land Advisory Committee (FTLAC) to seek input on development of rule concepts. Results of this work will be reflected in an issue paper with a Department recommendation on rule concepts for Board consideration by April 2010.
2. Board review and approval of rule concepts for GPV and the forest management planning rule that can be used to initiate the rule making process.

3. Engagement – according to process defined by the Administrative Procedures Act – in a public process that results in final approved Oregon Administrative Rules related to GPV and forest management planning.

Research and Information Needed

Staff will continue preparing for this work, and communicate with the Board on process and preparation of work products. Resources necessary to support this work must be prioritized between other field and staff work.

Stakeholder and Public Involvement

TBD

Timeframe w/Milestones

October	Discussion	Review concepts for the FPFO State Forests objectives.
November	Decision	Review, revise and confirm draft FPFO State Forests objectives
January/March 2010 (Details TBD)	Discussion	Board Workshop to gain input on the development of rule concepts for GPV and forest management planning processes. Input process will contain two key components: <ul style="list-style-type: none"> • Advisory Committee (AC) discussion and input for rule concepts – facilitated by a third-party. • FTLAC discussion with Board on input received from (AC) for the development of rule concepts.
March/April	Discussion / Decision	Department will provide an issue paper with a Department recommendation on rule concepts for the Board to consider moving forward into draft rule language.
TBD Jan 2011	Decision	Board decision on draft rule language for the Department to proceed with rule making

Resources Required

Staff is being dedicated to this effort; it appears additional funding will be required for a third-party facilitator for the Board Workshop.

Monitoring Achievement of this Intermediate Board Issue

Board monitoring will depend on the direction and decision the Board provides as these opportunities are explored and presented