



Promoting and practicing sustainable forestry

2009-2011 BUDGET REQUEST



Budget overview

Striving for sustainable forests across a changing landscape

Healthy, diverse, sustainable forests provide a rich range of benefits for Oregonians – clean water, wildlife habitat, economic activity, recreation, capacity to absorb greenhouse gases, and more. Achieving forest sustainability is central to the mission of the Oregon Department of Forestry (ODF) and to the Board of Forestry’s strategic *Forestry Program for Oregon*.

The proposed 2009-2011 budget seeks to support forestry services in all settings – from large public and industrial holdings in remote areas to family-owned woodlands, and forests in rural residential areas, suburbs and cities.

These services include wildfire protection, administration of forest practices laws, management of state-owned forests, and assistance designed to meet the specific needs of large and small landowners.

Issues that the proposed budget addresses include:

- Rising wildfire danger and costs, largely the result of changing climate.
- Fragmentation of large blocks of forest, and the growing possibility of permanent loss of forestland to development or other uses.
- The ecological challenges facing the 60 percent of Oregon forestland that is federally owned, and the difficulties facing natural resource-dependent rural economies.
- In a state with some of the country’s highest population growth rates, the importance of maintaining forest values in developed and developing areas.
- A critical need to strengthen administrative and technology systems, essential to the agency’s success, that are outdated, inadequate to meet current and future demands, and often undersized in comparison with other state agencies.

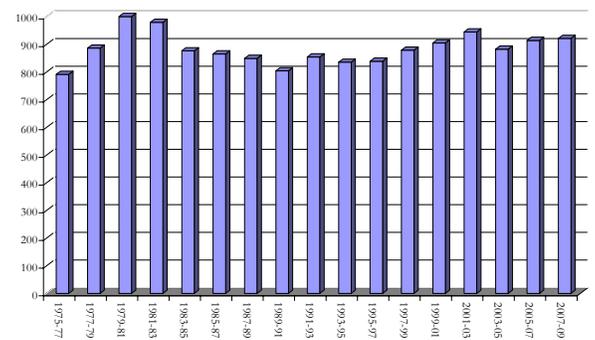
The budget proposal is consistent with statewide public policy priorities, including sustainability, mitigating climate change, and, through timber sale and other revenues, helping to support schools and other public services.

Meeting growing demands with limited resources

Adjusted for inflation, the department’s budget has been relatively stable for more than 30 years. The number of full-time equivalent positions also has remained about the same over this period.

However, much has changed, including introduction of the Forest Practices Act and the Oregon Plan for Salmon and Watersheds, increased management activities on state forests, increased fire severity, and direction from the governor and legislature to become more involved in charting a sustainable future for federal forests.

FULL TIME EQUIVALENTS (FTE)
1975-2009 LEGISLATIVELY ADOPTED FTE
AND 2007-09 LEGISLATIVELY ADOPTED BUDGET FTE OF 920.96



Backgrounder Budget Overview

Meeting growing demands with limited resources (cont.)

The workload continues to rise as Oregon’s growing population increases the demand for forest benefits, and as many forest management activities, such as wildfire protection, become more costly and complex.

The proposed 2009-2011 budget would maintain the work force at approximately current levels. Some positions are eliminated due to closure of a forest nursery (with seedling demand now met by the private sector), but others are added in critical areas, including wildfire protection.

What’s proposed

The Department’s 2009-2011 budget proposal includes:

- **An Essential Budget Level** – the cost of continuing current programs into the next biennium as required by law – of \$258.8 million. This represents a slight decrease from the current biennial budget, due to closure of the nursery, and one-time expenditures in the current budget for fire suppression and capital investment.
- **Proposed enhancements**, or policy option packages, totaling \$78.7 million, for a total budget request of \$337.5 million. Of the enhancements, the total is split into two approximately equal parts:
 - ◆ Accounting changes required by law or audits, and one-time capital infrastructure investments.
 - ◆ Service delivery improvements amounting to a 3.7 percent annual increase over current expenditures, when adjusted for inflation.

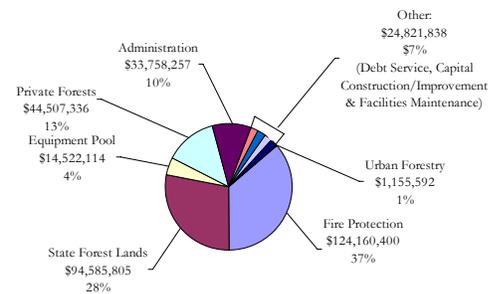
Proposed additions address key challenges

Economic challenges, including shrinking federal funds and the housing downturn, with its resultant decrease in Forest Products Harvest Tax and state forest timber sale revenues, have contributed to a difficult budget environment.

However, the budget process includes opportunities to provide policymakers with options for addressing compelling or evolving needs. The primary proposed policy option packages include:

- The **Wildfire Reduction Act**, which seeks to address the growing financial, environmental and safety risks associated with a trend toward more large, severe and costly wildfires, due largely to climate change. The act would increase capacity for initial attack in fire-prone parts of the state, so more fires can be put out while still small.
- **Provision of services to a full range of forest landowners.** This package includes elements for large industrial owners, for family woodland owners – many of whom face growing pressure to sell their forests for other uses – for needed monitoring, and for maintaining forest values in developed and developing areas.
- **Forestland acquisition**, including a unique opportunity to bring into public ownership a large eastern Oregon tract that likely would otherwise become fragmented, in exchange for limited, specific transfer of development rights.
- **Essential administrative supports** to address critical infrastructure and staffing issues in human resources, business services, information technology and other areas.

**2009-11 AGENCY REQUEST BUDGET
BY PROGRAM AREA
(Total \$337,511,345)**



Backgrounder Budget Overview

How ODF's budget leverages dollars

Public investment in ODF and in forest management provides many payoffs. For instance:

- While state General Funds account for less than 20 percent of ODF's proposed 2009-2011 essential budget level, they bring in significant matching dollars, primarily from the Forest Products Harvest Tax and landowner assessments for fire protection.
- Management of state-owned forests is financed entirely by a share of revenues from timber harvests, while most of the revenue helps to pay for schools statewide and for a range of public services in counties that deeded forestlands to the state. These revenues also finance ecological restoration and recreation projects on state lands.
- ODF programs help to keep forests in forest use, providing public benefits such as clean water – reducing cities' investments in drinking water treatment, for instance – wildlife habitat, jobs, and forests' natural capacity to absorb greenhouse gases.

For more information

Clark Seely, Associate State Forester
(503) 945-7203