



Common School Forest Land Annual Report

FISCAL YEAR 2021



**Prepared by the
Oregon Department
of Forestry**

February 2021

Table of Contents

Executive Summary	Pg 1
Financial and Asset Management	Pg 3
Forest Land Management and Planning	Pg 7
Links To More Information	Pg 10

Annual Report Located at:

<https://www.oregon.gov/ODF/Pages/Reports.aspx>

Executive Summary

DATE: February 8, 2021

TO: Governor Kate Brown
Secretary of State Shemia Fagan
State Treasurer Tobias Read

FROM: Cal Mukumoto, Oregon State Forester

SUBJECT: Fiscal Year 2021 Annual Report for Common School Forest Land

During fiscal year 2021 the Oregon Department of Forestry (ODF) managed 33,005 acres of Common School Forest Land (CSFL). As trustee of the CSFL, the State Land Board (SLB) oversees management to provide Oregonians the greatest benefit, consistent with resource conservation and sound land management strategies. Within this context, these lands are managed to maximize revenue to the state's Common School Fund (CSF) through an agreement among ODF, the SLB and the Department of State Lands (DSL). The DSL 2012 Real Estate Asset Management Plan states that these lands are "managed primarily to produce merchantable timber on a sustainable basis in accordance with plans adopted by the Land Board in cooperation with the Board of Forestry." Net revenues generated from CSFL are dedicated to the CSF.

This agreement and partnership among ODF, DSL and the SLB requires ODF to present an annual report regarding the status of management of CSFL. This status report includes information related to timber management (volume and value of harvested, sold and planned timber sales), fiscal year operating costs, revenue transferred to the CSF, reforestation, intensive management accomplishments and costs, and other information affecting CSFL management and operations.

Fiscal Year 2021 Harvest and Revenue

In 2021, net operating income remained consistent with 2020 at \$1.1 million. ODF continues stewardship of 33,005 acres of CSFL through active management, supervising and administering timber operations, monitoring environmental successes and sustaining critical wildlife habitat areas.

A number of reforestation and replanting projects were completed successfully, and young stand management activities continue to actively grow healthy, sustainable forests for future generations – providing a range of longer-term natural benefits such as wood products, diverse ecosystems and habitat, and clean air and water.

1. CSFL Harvest Volume:
 - a. 4.24 MMBF
 - b. 24 percent decrease from FY 2020

2. Revenue Transfers to CSF:
 - a. \$2.57 million
 - b. 1 percent decrease from FY 2020

3. Net Operating Income (NOI): NOI is the total revenue received by ODF minus management costs. It is influenced by the same factors that affect volume and value, as well as management expenses.
 - a. \$1,119,587
 - b. 1.5 percent increase from FY 2020
4. CSFL Management costs:
 - a. \$1.45 million
 - b. 3 percent decrease from FY 2020
5. CSFL sales sold in FY 2021 (not yet harvested)
 - a. 4.1 MMBF
 - b. Approximately \$1.7 million in timber sale value (prior to CSFL management costs)

Other Forest Management Activities

Reforestation and young stand management are integral to ensuring a sustainable flow of wood and future habitat development. On CSFL in FY 2021, 124 acres were reforested and 757 acres received young-stand management treatment, improving overall forest health and future growth.

This annual report summarizes CSFL management activities from July 1, 2020 through June 30, 2021.

Financial and Asset Management

Overview

This report primarily focuses on FY 2021 (July 1, 2020 through June 30, 2021). However, forest management often requires evaluating trends in revenue and costs for previous biennia (e.g., sales approved in one year’s operating plan may be harvested over one to three subsequent years). Revenue transferred to the CSF from management of CSFL has varied over the past 10 years from \$1.9 million to \$11 million annually. This time period includes fiscal years prior to July 1, 2017, when ODF managed the Elliott State Forest.

The primary factors influencing revenue fluctuations include: housing starts, lumber prices, harvest timing, individual sale volumes and value, changing ratios between harvests on CSFL and Board of Forestry lands (BOFL), Endangered Species Act protection measures and uncertainty and constraints associated with litigation.

Net Operating Income (NOI)

NOI for CSFL for FY 2021 was \$1,119,587. NOI was calculated for FY18 and FY19 by subtracting costs from total revenue invoiced. FY17, FY20 and FY21 was calculated by subtracting costs from total revenue transferred to DSL. NOI ranged from \$395,017 to \$1.1 million for CSFL in the past 5 years (Table 1).

Table 1: Net Operating Income	
FY2021	\$1,119,587
FY2020	\$1,103,223
FY2019	\$952,534
FY2018	\$816,371
FY2017	\$395,017
5 Year Average	\$877,346

Annual Revenue

Annual revenue is reported throughout this report, with influencing factors included for context.

Fiscal Year 2021 Revenue and Investment Costs

During FY 2021, \$2.57 million in revenue was transferred to DSL (Table 2). Total charges for managing the CSFL totaled \$1.45 million during FY 2021 (Table 2). These expenditures include State Forests Division personnel in Salem, three regional areas, and seven districts. The units are responsible for timber sale contract development and compliance, reforestation and intensive management activities, Endangered Species Act compliance, research and monitoring, forest planning and public engagement, and overall program administration.

Other charges to the CSF, referred to as “Net Revenue Transfers,” totaled \$416,313 in FY 2021 (Table 3). This is approximately 29 percent of total overall costs. Revenue transfers include a

prorated portion of ODF's total costs for capital improvement projects, debt service, and seed orchard management.

Revenue transfers include a portion of overall agency administration prorate which totaled \$408,815. It is ODF's goal to ensure that allocation of agency administrative costs accurately reflects work performed by administrative and managerial staff, and that each program pays their appropriate share of administrative costs.

J.E. Schroeder Seed Orchard costs for FY 2021 were \$5,950. These funds were used to produce genetically improved seed (superior growth, wood quality, and disease tolerant characteristics as identified through traditional breeding and selection methods) appropriate for reforesting state forestlands.

The fire protection cost for 33,005 acres of ODF managed CSFL was approximately \$105,850.

CSFL Revenues and Expenditures for FY 2021

Table 2: CSFL Revenues and Expenditures					
Expenditures and Transfers					
Category	FY17	FY18	FY19	FY20	FY21
T & E Surveys	\$255,732	\$84,315	\$86,288	\$108,828	\$95,611
Salem Program	\$503,060	\$205,326	\$183,254	\$297,652	\$423,562
Total Salem Expenditures	\$758,793	\$289,641	\$269,542	\$406,480	\$519,173
Total District Expenditures	\$1,612,930	\$583,272	\$653,170	\$690,803	\$513,752
Administrative Transfers	\$733,924	\$448,370	\$444,470	\$398,296	\$416,313
Total Expenditures + Transfers	\$3,105,647	\$1,321,283	\$1,367,182	\$1,495,579	\$1,449,238
District Expenditures Prorated by Acres					
District	FY17	FY18	FY19	FY20	FY21
Tillamook	\$128,778	\$182,519	\$184,428.21	\$204,029.19	\$231,463.05
Astoria	\$65,667	\$85,919	\$109,456.59	\$96,495.74	\$92,876.78
Forest Grove	\$20,358	\$24,237	\$37,185.61	\$29,816.57	\$32,279.94
West Oregon	\$272,127	\$317,171	\$361,443.13	\$460,863.18	\$373,341.41
North Cascade	\$37,196	\$45,108	\$44,683.30	\$42,793.52	\$58,752.32
SW Oregon	\$234,398	\$306,241	\$0.00	\$0.00	\$0.00
Coos	\$2,157,530	\$96,289	\$0.00	\$0.00	\$0.00
Western Lane ¹	\$70,641	\$55,730	\$429,292.33	\$437,344.44	\$424,068.22
Klamath-Lake	\$118,953	\$208,069	\$200,692.84	\$224,236.82	\$236,455.94
Total Expenditures + Transfers	\$3,105,648	\$1,321,283	\$1,367,182	\$1,495,579	\$1,449,238
CSFL Revenues					
District	FY17	FY18	FY19	FY20	FY21
Tillamook	\$13,569	\$14,823	\$127,484	\$87,153	\$54,561
Astoria	\$137,300	\$307,332	\$482,885	\$919,403	\$2,881
Forest Grove	\$29,300	\$301,498	\$322,422	\$491,240	\$1,542,376
West Oregon	\$1,143,029	\$896,188	\$1,254,904	\$131,847	\$737,436
North Cascade	(\$23,149)	\$5	\$262	\$431	\$2,325
SW Oregon	\$72,080	\$490,844	\$0	\$0	\$0
Coos/Elliott	\$2,547,842	\$19,229	\$0	\$0	\$0
Western Lane ¹	\$0	\$1,100	\$83,850	\$266,161	\$229,749
Klamath-Lake	\$20,055	\$64,931	\$47,910	\$143,650	(\$503)
Revenues Transferred to DSL	\$3,496,412	\$2,001,213	\$1,899,423	\$2,598,802	\$2,568,825

¹ Starting FY19 SW Oregon and Coos Districts are being managed out of Western Lane.

Details of FY 2021 Administrative Costs

Table 3: Details of FY 2021 Administrative Transfer Costs	
Administrative Revenue Transfers	Amount
Administrative Prorate Charge	\$408,815
J.E. Schroeder Seed Orchard	\$5,950
Residual Equity	\$1,548
Bond Principal	\$0
Bond Interest	\$0
ADMINISTRATIVE TRANSFER COSTS TOTAL	\$416,313

CSFL Land Historical Timber Harvest Value, Volume and Average Stumpage Prices for Fiscal Years 2012 – 2021

Table 4: Common School Forest Land Historical Timber Harvest Value, Volume and Average Stumpage Price Fiscal Years 2012 through 2021			
Fiscal Year	² Timber Sales Value of Timber Removed	Timber Harvest Volume (MMBF) Removed	Average Sold Sale Stumpage Price/MBF
2021	\$2,034,439	4.242	\$404
2020	\$2,597,050	5.590	\$439
2019	\$2,057,269	4.671	\$170
2018	\$1,534,693	3.573	\$476
2017 Elliott State Forest (Coos District)	\$2,691,137	7.758	\$347
2017 Other CSFL	\$1,152,934	2.765	\$413
Total 2017	\$3,844,071	10.523	\$413
2016 Elliott State Forest (Coos District)	\$3,416,945	7.990	\$327
2016 Other CSFL	\$2,454,497	6.170	\$347
Total 2016	\$5,871,441	14.160	\$332
2015 Elliott State Forest (Coos District)	\$3,592,162	8.260	\$436
2015 Other CSFL	\$2,367,124	6.990	\$356
Total 2015	\$5,959,286	15.250	\$375
2014 Elliott State Forest	\$2,524,725	6.960	\$434
2014 Other CSFL	\$1,503,429	4.000	\$205
Total 2014	\$4,028,154	10.960	\$411
2013 Elliott State Forest	\$1,606,932	4.514	\$288
2013 Other CSFL	\$1,992,098	6.562	\$328
Total 2013	\$3,599,030	11.076	\$308
2012	\$12,004,481	32.250	\$313
Last 5 Year Average	\$2,413,505	7.7	\$381
10 Year Average	\$4,352,991	11.2	\$364

² Timber Sale Value is gross timber sale's value before project work credits have been subtracted

Forest Land Management

During FY 2021 ODF managed 33,005 acres of CSFL (Table 5). Activities conducted on CSFL managed by ODF include: timber harvest, reforestation and intensive management, and road construction and maintenance.

Timber Management Activities

A total of 13 active sales were harvested in FY 2021, producing 4.2 mmbf with a value of \$2,034,439 (Table 7). In addition, there were 10 sales sold in FY 2021, producing approximately 4.1 mmbf (Table 6).

All planned sales on CSFL in FY 2022 are estimated to produce 7.2 mmbf with a net value of \$3.2 million (Table 8).

Reforestation and intensive management activities such as site preparation, planting and thinning are used to promote healthy and productive forest land. Table 9 summarizes planned and completed acres and costs for these activities on CSFL.

Table 10 provides information about the road system management on CSFL by District and County.

COUNTY	CSFL ACRES
BENTON	563
CLACKAMAS	113
CLATSOP	2,060
COLUMBIA	80
COOS	720
CURRY	1,352
DOUGLAS	1,908
JACKSON	1,622
JOSEPHINE	3,961
KLAMATH	6,827
LANE	907
LINCOLN	4,477
LINN	90
MARION	720
POLK	1,690
TILLAMOOK	5,584
WASHINGTON	250
YAMHILL	80
GRAND TOTAL:	33,005

Source: ODF, 06/11/21

Note: Report is based on legal acres not GIS acres

Timber Sales Sold During FY 2021

Table 6. Common School Forest Lands Timber Sales Sold in Fiscal Year 2021										
Sale Name	ODF District	CSFL % of Sale	Total Sale Volume (Mbf)	CSFL Volume (Mbf)	CSFL Acres Partial Cut	CSFL Acres Regen.	Total Project Costs	CSFL Project Costs	Net Sale Value (BOF + CSFL)	Net CSFL Value
Hamlet 8	Astoria	0.1%	3,109	2	0	0	\$192,168	\$115	\$738,738	\$443
Gates Hill	North Cascade	100%	799	799	0	37	\$0	\$0	\$369,620	\$369,620
Packsaddle	North Cascade	5%	6,225	333	0	18	\$327,689	\$17,531	\$1,722,611	\$92,160
#2 Niagara Restoration	North Cascade	1%	10,036	59	0	5	\$0	\$0	\$5,820,826	\$34,343
Pike Fire Contingency	Tillamook	47%	197	93	0	6	\$0	\$0	\$92,242	\$43,668
Crystal Clear	West Oregon	25%	1,756	440	0	10	\$44,240	\$11,095	\$797,101	\$199,913
Just in Beaver	West Oregon	34%	1,481	507	0	16	\$57,447	\$19,681	\$701,799	\$240,436
Cline Miller Thin	West Oregon	4%	1,021	37	6	0	\$23,873	\$855	\$210,957	\$7,552
Harlan Hangover	West Oregon	33%	2,652	865	0	20	\$54,672	\$17,839	\$1,458,017	\$475,751
Little Thin on the Prairie	West Oregon	100%	967	967	115	1	\$56,585	\$56,585	\$194,835	\$194,835
Totals			28,243	4,103	121	113	\$756,674	\$123,703	\$12,106,747	\$1,658,721

All dollar amounts are rounded to the nearest whole dollar.

Activity Summary for FY 2021

Table 7. Active Timber Sales on Common School Forest Lands Volume and Value, Fiscal Year 2021					
Sale Name	District	Sale No.	%CSFL	MMBF Harvested	Value CSFL
Sassy Sally	Astoria	AT-341-2019-W00361-01	0%	0.00	\$36
Duchess and the Duke	Forest Grove	FG-341-2020-W00544-01	84%	0.11	\$56,818
#2 Niagara Restoration	North Cascade	NC-341-2021-W00894-01	1%	0.04	\$22,738
Beaver Nation	Tillamook	TL-341-2020-W00288-01	43%	0.22	\$75,148
Pike Fire Contingency	Tillamook	TL-343-2021-W00879-01	47%	0.08	\$30,566
Milk Creek	Western Lane	WL-341-2020-W00577-01	100%	2.37	\$1,283,543
Powerline Thin	West Oregon	WO-341-2018-W00671-01	30%	0.27	\$103,039
Thin Women	West Oregon	WO-341-2019-W00667-01	1%	0.01	\$1,660
Shingle South Thin	West Oregon	WO-341-2019-W00790-01	1%	0.02	\$5,125
Wolf Junction	West Oregon	WO-341-2020-W00378-01	20%	0.56	\$260,272
Lost Steere	West Oregon	WO-341-2020-W00777-01	100%	0.02	\$8,230
Rock Fall	West Oregon	WO-341-2020-W00789-01	42%	0.49	\$178,069
Cline Miller Thin	West Oregon	WO-341-2021-W00360-01	4%	0.04	\$9,195
				4.24	\$2,034,439

Planned Timber Sales for FY 2022

Table 8: Annual Operation Plan Timber Sales Planned On CSFL in FY 2022									
Sale Name	ODF District	CSFL Percent of Sale	Timber Sale Volume (MBF)	CSFL Volume (MBF)	CSFL Acres Regen Cut	CSFL Acres Partial Cut	Total Sale Value	CSFL Project Costs	Net CSFL Value
Bole Bucket	Astoria	44%	4,904	2,155	60	0	\$1,278,576	\$84,648	\$681,288
Wooden Corners	Tillamook	60%	4,463	2,698	162	0	\$1,323,577	\$36,272	\$1,191,067
Long John	West Oregon	33%	4,934	1,617	45	0	\$2,522,813	\$22,154	\$1,002,065
Roger Miller	West Oregon	28%	2,644	749	15	24	\$939,252	\$24,358	\$322,321
Total			16,945	7,219	253	24	\$6,064,217	\$167,432	\$3,196,741

Reforestation and Intensive Management for FY 2021

Table 9: Intensive Management Activities On CSFL - FY 2021				
Management Activity	Acres Planned	Acres Completed	Total Cost	
Initial Planting*	147	124	\$41,571	
Interplanting	5	0	\$0	
Invasive Plant Control	0	0	\$0	
Precommercial Thinning	10	0	\$0	
Pruning	0	0	\$0	
Release-Chemical- Aerial	61	61	\$3,231	
Release-Chemical-Hand	95	0	\$0	
Release-Mechanical-Hand	20	0	\$0	
Site Prep –Mechanical	6	40	\$10,299	
Site Prep -Slash Burning**	67	65	\$894	
Site Prep-Chemical- Aerial	60	37	\$2,059	
Site Prep-Chemical- Hand	10	10	\$922	
Surveys - Invasive Plants	0	0	\$0	
Surveys – Reforestation	100	186	\$0	
Tree Protection-Barriers**	0	1	\$360	
Tree Protection-Direct Control**	104	111	\$5,186	
Underplanting*	122	122	\$4,209	
Total		807	757	\$68,732

*Planting costs include all costs to grow seedlings.

**Some districts used inmate labor. Inmate crew costs are covered in this table.

Road Management Activities for FY 2021

Table 10: FY 2021 Annual Road Work – CSFL

District & County	Aggregate/Paved Surface (miles)			Dirt Surface (miles)			Bridge	Fish Pipes
	Constructed	Improved	Vacated	Constructed	Improved	Vacated	Installed	Installed
Tillamook/Tillamook	0.00	0.40	0	0	0.20	0	0	0
Tillamook/Washington	0.00	0.00	0	0	0	0	0	0
West Oregon/Benton	0.00	0.00	0	0	0	0	0	0
West Oregon/Lincoln	0.24	5.96	0	0.04	0.42	0	0	0
West Oregon/Polk	0.00	0.86	0	0.18	0.00	0	0	0
Totals	0.24	7.22	0.0	0.22	0.62	0.0	0.0	0.0

Links To More Information

Stand Level Inventory

[Forest Inventory Report](#) covers the fiscal year-end stand level inventory estimates on Board of Forestry and Common School Land for each district.

Stream and Watershed Restoration

[Restoration reports](#) summarize all restoration activity reported to OWEB by State Forest Districts since 1995.

Forest Health

- [Aerial Survey Summary Reports](#) by ODF Area
- [Forest Health Highlights Report](#) -Joint Publications of Oregon Department of Forestry and USDA Forest Service, Pacific Northwest Region