



Common School Forest Land Annual Report

FISCAL YEAR 2023



**Prepared by the
Oregon Department
of Forestry**

February 2024

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 13, 2024

TO: Governor Tina Kotek
Secretary of State LaVonne Griffin-Valade
State Treasurer Tobias Read

FROM: Cal Mukumoto, Oregon State Forester

SUBJECT: Fiscal Year 2023 Annual Report for Common School Forest Land

During fiscal year 2023 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 2023 Harvest and Revenue

In 2023, net operating income decreased to 1.2 million due to decreased volume harvested from CSF timber sales. 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. 6.59 MMBF
 - b. 36 percent decrease from FY 2022

2. Revenue Transfers to CSF:
 - a. \$2.75 million
 - b. 13.1 percent decrease from FY 2022

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. \$1,226,043
 - b. 35.2 percent decrease from FY 2022
4. CSFL Management costs:
 - a. \$1.53 million
 - b. 19.4 percent increase from FY 2022
5. CSFL sales sold in FY 2023 (not yet harvested)
 - a. 7.73 MMBF
 - b. Approximately \$3.75 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 2023, 180 acres were reforested and 982 acres received young-stand management treatment, improving overall forest health and future growth.

This annual report summarizes CSFL management activities from July 1, 2022 through June 30, 2023.

Financial and Asset Management

Overview

This report primarily focuses on FY 2023 (July 1, 2022 through June 30, 2023). 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 \$6.4 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 2023 was \$1,226,043. NOI was calculated by subtracting costs from total revenue transferred to DSL. NOI ranged from \$532,241 to \$1.9 million for CSFL in the past 5 years (Table 1).

¹Table 1: Net Operating Income	
FY2023	\$1,226,043
FY2022	\$1,890,650
FY2021	\$1,119,587
FY2020	\$1,103,223
FY2019	\$532,241
5 Year Average	\$1,174,349

¹ Previous reports calculated NOI as total revenue invoiced minus total costs, for FY 2018 and FY 2019. This created confusion in the past (i.e., invoiced versus transferred), so it has been updated here for consistency. Previous reports will not be updated.

Annual Revenue

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

Fiscal Year 2023 Revenue and Investment Costs

During FY 2023, \$2.75 million in revenue was transferred to DSL (Table 2). Total charges for managing the CSFL totaled \$1.53 million during FY 2023 (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 \$216,952 in FY 2023 (Table 3). This is approximately 14 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 \$211,746. 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 2023 were \$4,507. 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 \$149,342.

CSFL Revenues and Expenditures for FY 2023

Table 2: CSFL Revenues and Expenditures

Expenditures and Transfers					
Category	FY19	FY20	FY21	FY22	FY23
T & E Surveys	\$86,288	\$108,828	\$95,611	\$114,930	\$118,627
Salem Program	\$183,254	\$297,652	\$423,562	\$400,838	\$450,049
Total Salem Expenditures	\$269,542	\$406,480	\$519,173	\$515,768	\$568,676
Total District Expenditures	\$653,170	\$690,803	\$513,752	\$536,027	\$744,845
Administrative Transfers	\$444,470	\$398,296	\$416,313	\$228,753	\$215,082
Total Expenditures + Transfers	\$1,367,182	\$1,495,579	\$1,449,238	\$1,280,549	\$1,528,603
District Expenditures Prorated by Acres					
District	FY19	FY20	FY21	FY22	FY23
Tillamook	\$184,428.21	\$204,029	\$231,463	\$199,248	\$225,270
Astoria	\$109,456.59	\$96,496	\$92,877	\$85,222	\$98,892
Forest Grove	\$37,185.61	\$29,817	\$32,280	\$28,991	\$30,155
West Oregon	\$361,443.13	\$460,863	\$373,341	\$348,211	\$390,496
North Cascade	\$44,683.30	\$42,794	\$58,752	\$52,947	\$62,003
Western Lane	\$429,292.33	\$437,344	\$424,068	\$346,344	\$467,494
Klamath-Lake	\$200,692.84	\$224,237	\$236,456	\$219,588	\$254,293
Total Expenditures + Transfers	\$1,367,182	\$1,495,579	\$1,449,238	\$1,280,549	\$1,528,603
CSFL Revenues					
District	FY19	FY20	FY21	FY22	FY23
Tillamook	\$127,484	\$97,366	\$54,561	\$59,633	\$220,166
Astoria	\$482,885	\$694,366	\$2,881	\$108,384	\$841,037
Forest Grove	\$322,422	\$635,519	\$1,542,376	\$138,506	\$540,195
West Oregon	\$1,254,904	\$664,469	\$737,436	\$1,754,192	\$822,698
North Cascade	\$262	\$2	\$2,325	\$472,768	\$0
Western Lane	\$83,850	\$356,548	\$229,749	\$637,707	\$113,268
Klamath-Lake	\$47,910	\$143,529	(\$503)	\$9	\$217,283
Revenues Transferred to DSL	\$2,319,717	\$2,591,799	\$2,568,825	\$3,171,199	\$2,754,647

Details of FY 2023 Administrative Costs

Table 3: Details of FY 2023 Administrative Transfer Costs

Administrative Revenue Transfers	Amount
Administrative Prorate Charge	\$211,746
J.E. Schroeder Seed Orchard	\$4,507
Residual Equity	\$699
Bond Principal	\$0
Bond Interest	\$0
ADMINISTRATIVE TRANSFER COSTS TOTAL	\$216,952

CSFL Historical Timber Harvest Value, Volume and Average Stumpage Prices for Fiscal Years 2014 – 2023

Table 4: Common School Forest Land Historical Timber Harvest Value, Volume and Average Stumpage Price Fiscal Years 2014 through 2023				
Fiscal Year	³ Timber Sales Value of Timber Removed	Timber Harvest Volume (MMBF) Removed	²Average Sold Sale Stumpage Price/MBF	Average Stumpage Harvested Price/MBF
2023	\$2,445,252	6.589	\$485	\$371
2022	\$4,641,474	10.358	\$454	\$448
2021	\$2,034,439	4.242	\$404	\$480
2020	\$2,597,050	5.590	\$439	\$465
2019	\$2,057,269	4.671	\$170	\$440
2018	\$1,534,693	3.573	\$476	\$430
2017 Elliott State Forest (Coos District)	\$2,691,137	7.758	\$347	\$347
2017 Other CSFL	\$1,152,934	2.765	\$413	\$417
Total 2017	\$3,844,071	10.523	\$413	\$365
2016 Elliott State Forest (Coos District)	\$3,416,945	7.990	\$327	\$428
2016 Other CSFL	\$2,454,497	6.170	\$347	\$398
Total 2016	\$5,871,441	14.160	\$332	\$415
2015 Elliott State Forest (Coos District)	\$3,592,162	8.260	\$436	\$435
2015 Other CSFL	\$2,367,124	6.990	\$356	\$339
Total 2015	\$5,959,286	15.250	\$375	\$391
2014 Elliott State Forest	\$2,524,725	6.960	\$434	\$363
2014 Other CSFL	\$1,503,429	4.000	\$205	\$376
Total 2014	\$4,028,154	10.960	\$411	\$368
Last 5 Year Average	\$2,755,097	6.290	\$390	\$441
10 Year Average	\$3,501,313	8.6	\$396	\$417

² Average stumpage for new sales sold during the fiscal year and is not related to the harvested volume and value columns, which cover harvests spanning multiple fiscal years.

³ Timber Sale Value is gross timber sales value before project work credits have been subtracted.

Forest Land Management

During FY 2023 ODF managed 33,005 acres of CSFL (Table 5). Activities conducted on CSFL managed by ODF include: timber harvest, reforestation and young stand management, and road construction and maintenance.

Timber Management Activities

A total of 12 active sales were harvested in FY 2023, producing 6.59 mmbf of volume with a value of \$2,445,252 (Table 7). In addition, there were 7 sales sold in FY 2023, totaling approximately 7.73 mmbf of timber volume (Table 6).

All planned sales on CSFL in FY 2024 are estimated to produce 2.16 mmbf of timber volume with a net value of \$768,459 (Table 8).

Reforestation and young stand 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, 07/6/23

Report is based on legal acres not GIS acres

Timber Sales Sold During FY 2023

Table 6. Common School Forest Lands Timber Sales Sold in Fiscal Year 2023											
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	
Cup of Joe	Astoria	20%	1,260	246	0	14	\$44,684	\$8,713	\$345,550	\$67,382	
Gates Go Back	North Cascade	100%	50	50	0	3	0	\$0	\$18,480	\$18,480	
Long John	West Oregon	40%	3,810	1516	3	45	\$83,442	\$33,210	\$2,523,476	\$1,004,343	
Mahrvelous	West Oregon	25%	4,070	1031	0	21	\$129,258	\$32,728	\$2,325,693	\$588,865	
Maple Gulch	Western Lane	100%	999	999	0	48	\$58,509	\$58,509	\$453,074	\$453,074	
Roger Miller Combo	West Oregon	22%	2,341	521	12	18	\$93,810	\$20,873	\$1,158,961	\$257,869	
Wooden Corners	Tillamook	61%	5,519	3364	0	122	\$187,640	\$114,385	\$2,225,164	\$1,356,460	
Totals			18,049	7,727	15	271	\$597,343	\$268,418	\$9,050,396	\$3,746,473	

All dollar amounts are rounded to the nearest whole dollar.

Activity Summary for FY 2023

Table 7. Active Timber Sales on Common School Forest Lands Volume and Value, Fiscal Year 2023					
Sale Name	District	Sale No.	%CSFL	MMBF Harvested	Value CSFL
Beaver Nation	Tillamook	TL-341-2020-W00288-01	43%	0.18	\$50,412.95
Blue Bucket	Astoria	AT-341-2022-W00586-01	52%	2.43	\$1,001,702.15
Cline Miller Thin	West Oregon	WO-341-2021-W00360-01	4%	0.00	\$46.10
Duchess and the Duke	Forest Grove	FG-341-2020-W00544-01	84%	1.45	\$731,232.86
Hamlet 8	Astoria	AT-341-2021-W00828-01	0%	0.00	\$232.94
Harlan Hangover	West Oregon	WO-341-2021-W00685-01	33%	0.18	\$108,597.50
Little Thin on the Prairie	West Oregon	WO-341-2021-W00362-01	100%	0.57	\$149,146.55
Long John	West Oregon	WO-341-2023-W00902-01	40%	0.00	\$341.21
Mahrvelous	West Oregon	WO-341-2023-W00996-01	25%	0.01	\$7,007.34
Manzanita Woman	Klamath	KL-341-2019-W00513-01	100%	1.50	\$248,607.27
Rebott	West Oregon	WO-341-2022-W00683-01	62%	0.24	\$136,874.50
Wooden Corners	Tillamook	TL-341-2023-W00851-01	61%	0.03	\$11,050.42
Total				6.59	\$2,445,252

Planned Timber Sales for FY 2024

Table 8: Annual Operation Plan Timber Sales Planned in CSFL in FY 2024									
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
Lone Steere Thin	West Oregon	100%	400	400	0	64	\$112,000	\$30,536	\$81,464
Salmon Forks Combo	West Oregon	9%	1,900	171	5	6	\$652,750	\$5,953	\$52,795
Middle Cole	Astoria	61%	2,600	1,586	32	0	\$1,201,980	\$99,008	\$634,200
Total			4,900	2,157	37	70	\$1,966,730	\$135,497	\$768,459

Reforestation and Young Stand Management for FY 2023

Table 9: Young Stand Management Activities in CSFL in FY 2023				
Management Activity	Acres Planned	Acres Completed	Total Cost	
Initial Planting*	250	180	\$89,573	
Interplanting	0	0	\$0	
Invasive Plant Control	25	0	\$0	
Precommercial Thinning	17	0	\$0	
Pruning	0	0	\$0	
Release-Chemical- Aerial	0	0	\$0	
Release-Chemical-Hand	57	105	\$14,201	
Release-Mechanical-Hand	50	17	\$5,095	
Site Prep-Mechanical	20	20	\$0	
Site Prep-Slash Burning	30	29	\$375	
Site Prep-Chemical- Aerial	70	0	\$0	
Site Prep-Chemical- Hand	191	191	\$21,267	
Surveys-Invasive Plants	33	33	\$0	
Surveys-Reforestation	265	265	\$0	
Tree Protection-Barriers**	57	60	\$4,338	
Tree Protection-Direct Control	82	82	\$5,813	
Underplanting*	0	0	\$0	
Total		1,147	982	\$140,661

*Planting costs include all costs to grow seedlings.

**Some districts used South Fork crew labor. South Fork crew costs are covered in this table.

Road Management Activities for FY 2023

Table 10: FY 2023 Annual Road Work – CSFL								
District & County	Aggregate/Paved Surface (miles)			Dirt Surface (miles)			Bridge	Fish Pipes
	Constructed	Improved	Vacated	Constructed	Improved	Vacated	Installed	Installed
Klamath/Klamath	0.00	0.00	0	0.2	0.7	0	0	0
West Oregon/Benton	0.10	0.00	0	0	0	0	0	0
West Lane/Josephine	0.00	1.60	0	0.7	7.8	0	0	0
Totals	0.10	1.60	0.0	0.90	8.50	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