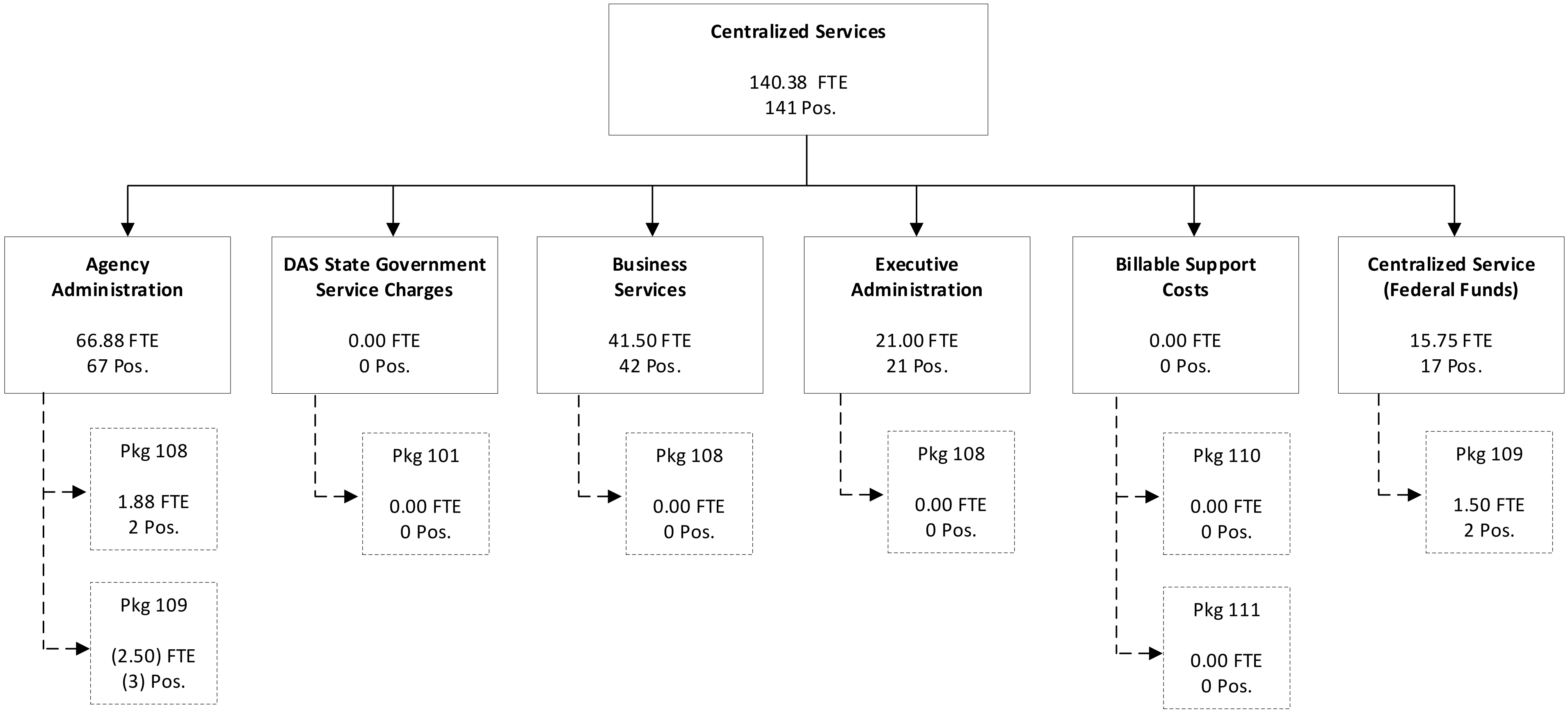
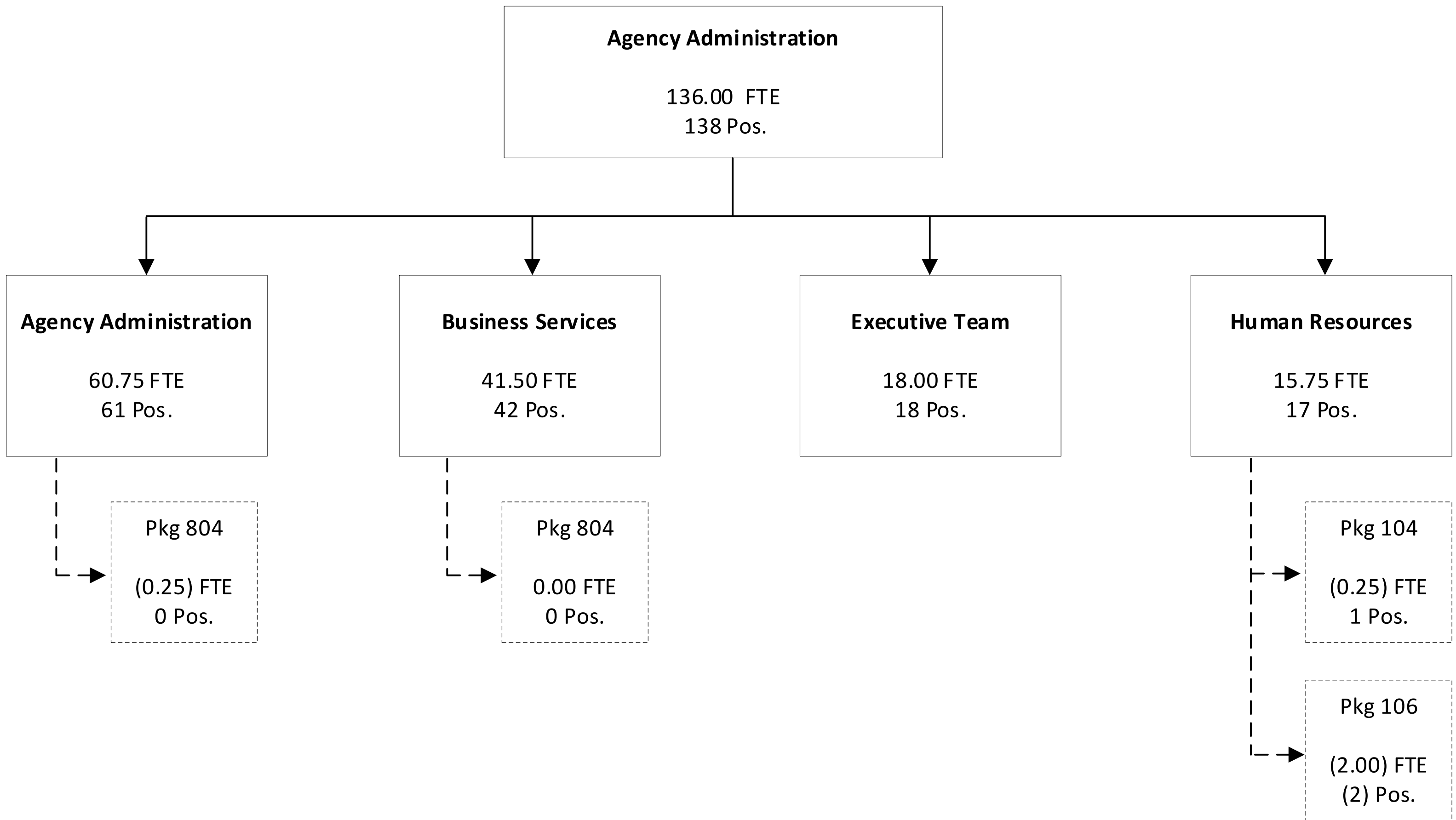
Centralized Services Narrative

Organization Charts



Proposed 2027-2029 Structure



Prior 2025-2027 Structure

Centralized Services Narrative

Executive Summary

Program overview

Centralized Services is comprised of programs that provide internal service delivery to operating programs, all of which are funded by the administrative pro-rate. Administrative pro-rate is how ODF pays for most centralized services functions and is Other Funds revenue collected from the agency's operating programs based on their use of the various administration programs.

To provide the foundation for effective implementation of ODF's core business functions the following support services programs are provided through this centralized service model: Budget Management, Equipment Pool, Executive Leadership and policy support, Facilities, Federal Grant Support, Financial Services, Human Resources, Information Technology, Procurement, Protection Finance, Public Affairs, Resource Planning, and Workforce Development.

These programs support the ODF mission through application and compliance of federal regulations, Oregon Revised Statutes, Administrative Rules, enterprise policies, and labor agreements, meeting operational goals in service to Oregonians.

The long-term focus of Centralized Services is to provide excellent and efficient delivery service to the operating programs of the agency. From the field forester to the executive staff member, all rely on the core programs operating within Centralized Services to deliver the best service possible to Oregonians. It is the division's goal to strive toward organizational excellence.

Program funding request

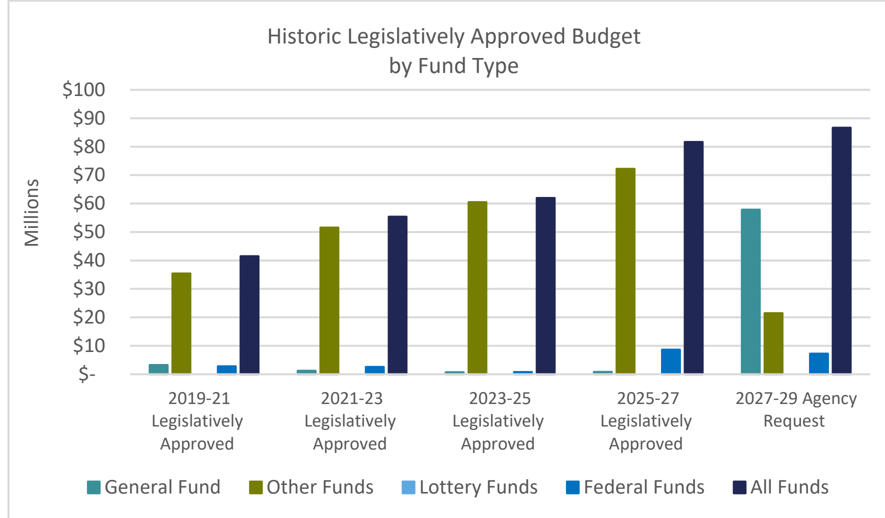
For 2025-27, Centralized Services received $74,162,360 All Funds ($758,644 General Fund, $70,538,675 Other Funds, and $2,865,041 Federal Funds). The division's 2027-29 funding proposal is a 1% Total Funds decrease from the Current Service Level (CSL). This decrease is the result of several reductions to central government charges offset by minor increases.

Primary program contact

James D. Short, Chief Financial Officer, 503-302-8478
james.short@odf.oregon.gov

Justin Hallett, Agency Administration Division Chief, 541-891-2103
Justin.t.hallett@odf.oregon.gov

Graphical representation of the program unit's funds budget over time



Program descriptions

The program narratives below outline the internal services provided to the department's operating programs. Major cost drivers are personnel as we strive to build a diverse and innovative workforce where employees understand and value their role in the agency's mission. Other costs can be categorized as operational costs, vehicles, computers, facilities, to provide some simple examples.

Budget Management

The Budget Management Program provides the fiscal planning, analysis, and oversight necessary to align the department's financial resources with agency priorities, operational needs, and legislative direction. The program leads development of the department's biennial budget, coordinates internal budget development and fiscal planning, oversees position management standards, and monitors budget execution to ensure compliance with legislative direction, statutory requirements, and agency policy.

Executive Leadership and Policy Support

Centralized services include the top-level executive leadership positions for the department and policy support functions, including: legislative representation, internal audit, risk management, project management, Board of Forestry support, tribal relations, administrative rules coordination, policy and agency planning, development and implementation.

Facilities
The Facilities Capital Management Program is responsible for managing, monitoring and developing the department's facility assets to meet long-term strategic capital needs, lifecycle replacement and sustainability performance requirements. It also manages the Salem Headquarters Campus operations and maintenance activities, which comprises ten commercial buildings, structures and adjacent grounds. All buildings managed and maintained by the facilities team are owned by the Board of Forestry.

Additionally, the operations of both the Fleet Services and Radio Communications programs are managed under the Facilities Capital Management Program; however, the programs are still budgeted under SCR 020. During the 2025-27 biennium, Fleet Services and Radio Communications staff and operations were moved under ODF's Facilities Capital Management Program. The intent was to improve program delivery and best support the staff doing the work by rebalancing span of control, leveraging resources and expertise, and aligning complementary business processes and goals across statewide service areas.

Federal Grants Support Unit
The Federal Grants Support Unit exists as a centralized federal grant management function for the agency, providing guidance, 2CFR 200 requirements, other applicable codes and regulations, tools, training, and oversight for grant processes ranging from application to implementation. This unit ensures that ODF maintains a good standing relationship with federal agencies and is a steward of federal funds to maintain the ability to receive future federal funding. This unit directly supports competitive grant ranking and selection for federal and state assistance.

Financial Services
The Financial Services Program provides the financial accounting, reporting, and fiscal management services necessary to ensure the accurate and accountable use of public funds. The program maintains the department's financial records and produces required financial and legal reports in accordance with federal and state laws, rules, policies, and accounting standards.

The program provides a broad range of fiscal services, including accounting, accounts payable and receivable, financial reporting, revenue and expenditure management, and oversight of financial transactions. Staff review changes in federal requirements, state legislation, and Department of Administrative Services (DAS) policies and rules to identify fiscal impacts and implement necessary changes to department processes, policies, and procedures.

Human Resources
The Human Resources Program provides leadership in human capital management to the department and associated organizations. The program is responsible for providing direction, guidance, and assistance to Department of Forestry employees on recruitment and retention, employee and labor relations, employee engagement, and protected leave in accordance with federal regulations, Oregon Revised Statutes, Administrative Rules, enterprise policies, and labor agreements.

Information Technology
The Information Technology Program manages technology capabilities across the entire agency. IT provides planning, coordination and services in database administration, application development, GIS, data processing, technology training, computer, mobile device, software and peripheral purchasing, data security, web technologies and system administration for all enterprise systems. In partnership with the State Data Center Services and Cyber Security Services, the program also manages the department's internet web filtering, anti-SPAM appliance, and data backup systems. Department infrastructure consists of 44 local area networks (LANs) serving more than 2,850 computers and mobile devices. The department also maintains 43 production servers and 28 remote servers at field offices that are managed by the State Data Center. The program also partners with DAS on the enterprise systems used by ODF such as Workday, OregonBuys, and Statewide Financial Management System (SFMS).

Public Affairs
The Public Affairs Program tells ODF's story and helps the department's broad array of stakeholders connect with and understand the department's core business areas. It does this by establishing department-wide policies and procedures for communications activities, and supporting and assisting divisions and programs in sustaining, enhancing and expanding their communications efforts.

Centralized Services Narrative

Procurement
The Procurement Program provides strategic, technical, and operational support and oversight for the department's procurement and contracting activities, including contracts, grants, agreements, purchase orders, and contract administration. The program supports agency programs throughout the procurement lifecycle, providing guidance on procurement strategies, requirements, and compliance with applicable laws, rules, and policies.

Protection Finance
The Protection Finance Unit (PFU) provides financial guidance related to the agency's fire protection program. The PFU is involved in all facets of protection finance providing overall incident finance support and to ensure financial controls and tracking are in place for all protection expenses, revenue, and fiscal budgets. The unit is broken into functions; incident business advisors who provide the core protection finance guidance and support, Severity Program finance tracking and payments, incident billings and other agency/state finance communications, and FEMA claim auditing and coordination.

Resources Planning
The Resource Planning Unit (RPU) houses core economic, ecological, climate policy, land use, wood utilization, and data coordination functions. The RPU coordinates ODF's internal policy effort with the Governors' Office, and between ODF divisions, and other state and federal agencies. RPU staff develop analyses, programs, and policy to inform policy decisions and actions taken by the State Forester and the Board of Forestry.

Workforce Development
The Workforce Development team focuses on safety, training, career development, onboarding and uplift benefits, engagement and retention of new and current employees. The program provides leadership for diversity strategies, development of the agency plans on diversity, equity, inclusion, and belonging, succession planning, and affirmative action plans. Through training and development, promote an inclusive work environment that encourages and enables all employees to reach their full potential.

The department values the safety of its employees above all else. Investments into the department's safety program support critical safety training and support to minimize accidents, injuries and near-misses.

Program justification and link to long-term outcome:
Centralized Services and the agency's strategic plan are deeply interconnected. The agency's priorities in this plan are:

- Priority: Resilient forests
  Goal: To reduce the vulnerability of Oregon's forests from a myriad of catastrophic climate driven disturbances, ODF will direct its policy management and educational actions to enable and promote all forestland managers to make intentional decisions that increase adaptive capacity of forest ecosystems.
- Priority: Resilient communities
  Goal: Policy and management decisions foster healthy relationships between humans and forests, so that forests support resilient human communities through social, economic, and ecological change.
- Priority: Addressing the wildfire crisis
  Goal: Prevent, suppress, manage, and mitigate wildfire to protect communities, allow natural ecosystem processes, and promote the adaptive capacity of Oregon's forests.
- Priority: Climate leadership
  Goal: The Board and Department will build capacity for climate-smart leadership.
- Priority: Organizational excellence
  Goal: Strengthen the public trust and confidence in ODF's ability to effectively accomplish its mission and provide excellent service to Oregonians.

None of these priorities can be achieved without the support of the services provided by administrative programs.

Enabling legislation/program authorization
Centralized Services implements the authority through the following primary ORS Chapters:

ORS 240 – Personnel Relations
ORS 321 - Timber Taxes
ORS 477 - Fire Protection
ORS 526 - Forestry Administration; Private Forests

Centralized Services Narrative

ORS 527 - Insect and Disease Control; Private Forests
ORS 530 - State Forest Lands
ORS 532 - Log Brands

In addition, a large portion of the department's administrative responsibilities and authorities are delegated by instruction, policy, or administrative rule from the Department of Administrative Services, the Secretary of State, the State Treasurer and the Governor's Office.

Funding streams
The Centralized Services programs are mostly funded by an assessment against department programs on a pro-rated basis by funding source, such as state forest timber receipts and the Forest Products Harvest Tax. Agency Administration also receives a small amount of revenue from fees charged for services. About half of the pro-rated revenues are derived from the General Fund.

Funding proposal comparison
The estimated costs for 2027-29 are $86,652,788, for 2029-31 are $93,692,277, and for 2031-33 are $100,344,369.

Additional investment considerations

- Increase resources to obtain diverse applicant pools, that support the operating needs as recommended in SB494 report submitted by the Department of Administrative Services.
- Increase resources to train employees across all programs.
- Increase resources to provide ongoing safety training, response and oversight to the operational needs of the workforce to address mental health support.
- Increased support and allocation of funding to support wildland fire costs in prevention, response, financial management.
- Support and funding for technology advancements in equipment and expanding network.
- Increase in information technology personnel and equipment to provide adequate capacity for help desk, application development, network, and geographic information systems operations.

Essential Package

Pkg 010-Vacancy Factor and Non-ORPICS Personal Services
This package includes standard inflation of 4.2% on non-ORPICS items such as temporaries, overtime, shift differential, all other differentials, and unemployment compensation, including the OPE associated with them.

Pkg 031-Standard Inflation
The purpose of this package is to include a set of standardized inflation rates for all agencies, increasing their budgets above their final base amounts for all non-personal-services expenditure accounts. These rates are 4.2% for standard or “generic” accounts, and then larger rates for “Price List Accounts,” specifically 6.8% for Professional Services charges. There is no change to position counts or FTE.

Pkg 032-Above Standard Inflation
The purpose of this package is to record increases to the budget which exceed the standard inflation rate. In Agency Administration this package records the increased State Government Services charges from the DAS Price List, in the amount of $7,011,546 Other Funds. There is no change to Position Counts or FTE.

Pkg 060-Technical Adjustments
The purpose of this package is to make technical budget adjustment and corrections. The department is making multiple structure changes this biennium due to internal re-organization efforts. In the Agency Administration program this involves moving most of the positions previously in SCR 629-060-00-00-00000 back into SCR 629-008-00-00-00000. These actions are net-zero at the Agency-wide and Fund Type level but not at the SCR level, resulting in an increase to Agency Administration of $9,033,188 ($891,862 General Fund, $6,096,034 Other Funds, and $2,045,292 as well as an increase of 21 Position Count and 21.00 FTE.

Policy Packages

Package Number	Component Title	All Funds	Positions / FTEs
101	Centralized Administrative Costs Support	$0	0 / 0.00
108	Centralized Services Technical Adjustments	$0	2 / 1.88
109	Technical Position Adjustments	($361,354)	(1) / (1.00)
110	MMA Hangar Phase 2 (Capital Bonding)	$35,000	0 / 0.00
111	Deferred Maintenance	$80,000	0 / 0.00
	Total Packages:	**($246,354)**	**1 / 0.88**

Package Narrative

Package 101 – Centralized Administrative Costs Support

Purpose: The Oregon Department of Forestry and Oregon State Fire Marshal were tasked by the Legislature through House Bill 5701 (2024) to convene a workgroup to identify solutions for sustainable wildfire mitigation and suppression funding to address the growing wildfire crisis. All involved recognized the need for a sustainable and equitable funding structure for wildfire response and mitigation has never been more urgent. The way response and mitigation are currently funded is inadequate to address the growing complexity and cost of wildfires Oregon faces today, which impact public health and safety, community well-being, and the state's economy. The efforts resulted in lengthy and complex legislation known as HB3940.

HB 3940 included several references to the conclusions of the Wildfire Funding Workgroup, or "Fire 35," as it became known. One of those focal points became the cost of agency administration, or the running of the agency, to be prepared for and able to adequately respond to wildfires. Agency administration includes mitigation efforts, early detection functions, business functions, aviation capacity, and employee support functions, among other things. Historically, a large portion of these costs were added to landowner assessment rates. The Fire 35 stated, "Wildfire response and mitigation strategies should consider equitable, affordable and sustainable contributions from payees into the system, including in-kind contributions," in their February 2025 progress report. Group discussions affirmed a desire to define and move all "centralized administrative costs (ORS 477.001(4))" to General Fund. HB 3940 did most of that. It updated statute to better capture what's included in these costs, and it changed ORS language that prevented future centralized administrative costs from being a piece of the landowner assessment rates. Section 28 of HB 3940 amended ORS 477.777 and directed the agency to request General Fund appropriation for a variety of purposes including providing funds for centralized administration costs. However, the additional General Fund needed to cover these costs was not provided as part of the agency's current service level.

How achieved: The 2025-27 biennial budget appropriated one-time General Fund for this purpose to cover FY25. The agency then requested additional funds to cover these now unfunded costs during the 2026 Legislative Session and again received General Fund allotment for FY26. Moving forward with recommendations from the "Fire 35", in alignment with the legislative intent of HB 3940, an additional General Fund allotment of approximating $18.6M/biennium is needed to fully fund the centralized administrative costs for the Oregon Department of Forestry's fire protection responsibility.

Staffing impact: This package would provide the stability needed for funding the centralized administrative costs of the associated with fire protection at ODF. Ultimately, this funding impacts 69 positions and accounts for approximately 63 FTE.

Quantifying results: Fully funding the centralized administrative costs with General Fund allocation quantitatively ensures the longevity of the fair and affordable wildfire response system as envisioned by the Fire 35 and expressed through the legislative intent of HB 3940.

Revenue source:

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	$8,541,451		
Other Funds	($8,541,451)		
Federal Funds	$0		
All Funds	**$**		
Position/FTE	**0 / 0.00**		

Package 108 – Centralized Services Technical Adjustments
Purpose: The Department of Forestry is resolving long standing reclassification needs initially identified in 2023 to better align with other state agencies of similar complexity and structure. These reclassifications have been long pending and have Department of Administrative Services (DAS) Chief Human Resources Office (CHRO) approval memos nearing expiration.

How achieved: This initiative resolves the misalignment in several position classifications through a net neutral fiscal impact statement for the following programs within Centralized Services.

Facilities Capital Management: The Facilities Capital Management Program expanded this biennium, gaining additional oversight of Radio Communications and Fleet Services, providing better agency alignment with long-term capital asset planning. The addition of this oversight added significant complexity and structure, leading DAS CHRO to determine the need to reclass the manager position from a Construction and Facility Maintenance Manager 2 to a Construction and Facility Maintenance Manager 3. Additionally, there are 2 other positions warranted based on this additional complexity: a Construction and Facility Maintenance Manager 1 to address the span of control and an Operations and Policy Analyst 3 that has been a long-standing, unbudgeted, limited duration position.

Information Technology: The Information Technology Program was reviewed by DAS CHRO in 2023, and it was determined that the manager position needed to be reclassed from an Information Technology Manager 2 to a Chief Information Manager 3.

Protection Finance Unit: The requested reclassifications will align four positions with the level of work currently being performed and ensure the agency maintains the expertise necessary to support critical financial and operational functions. As the Protection Finance Unit has evolved, these positions have assumed significantly greater responsibility for complex financial analysis, program administration, regulatory compliance, strategic coordination, and oversight of state and federal funding and reimbursement activities. The current classifications no longer accurately reflect the scope, complexity, decision-making authority, and accountability required of these roles. Reclassifying these positions will ensure proper alignment between assigned duties and classification, strengthen organizational capacity, support succession planning and employee retention, reduce classification compression within the unit, and enhance the agency's ability to effectively manage fiscal risk, maintain compliance, and maximize revenue recovery in support of the department's mission.

Resources Planning Office: The Resources Planning Office has been operating under a work-out-of-class (WOC) manager for multiple years now, due to internal reorganization. DAS CHRO determined that the complexity of the program reclasses the manager position to a Natural Resource and Sustainability Manager 3.

Staffing Impact: In Centralized Services this package adds 2 position counts and 1.88 FTE.

Quantifying results: All resolved positions will continue to fulfill their current duties. Only change is that the positions will then be appropriately compensated and classified. Any additional technical correction needs will be monitored and tracked to be included in a net neutral policy option package for the 2029-2031 Agency Request Budget.

Revenue source:

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	$0		
Other Funds	$0		
Federal Funds	$0		
All Funds	**$0**		
Position/FTE	**2 / 1.88**		

Package 109 – Technical Position Adjustments
Purpose: This package proposes several actions amongst the Forest Resources, Protection, State Forests, Business Services. and Administration divisions to better align the biennial budget with execution and is revenue neutral. Actions in this proposal include:

- Fund shifts to correct the funding of two (2) positions that were transferred from the Forest Resources Division to the Federal Grants Unit in the Administration Division through a 2025-27 technical adjustment.
- Modification of the funding mix of four (4) other Forest Resources Division positions to more accurately reflect the work being done and the correlation funding sources.

- The reclassification of a Forest Resources position that was erroneously down classed at the biennial budget level in a prior biennium to match implementation.
- Moves a position from the Administration Division to the Forest Resources Division to align with implementation and organizational structure.
- The reclassification of ten (10) Business Operation Supervisor 1 positions to Business Operation Supervisor 2 positions following the results of a Chief Human Resource Office classification review. These field positions are funded by all three operating divisions: Forest Resources, Protection and State Forests.
- The reclassification of a State Forest Division Natural Resource Protection & Sustainability Manager 1 position to a Forest Manager 2 position and the addition of four (4) months to a Forest Management Technician position to better match the needs of the Recreation, Education and Interpretation Program.

This proposal is consistent with the Vision for Oregon's Forests, the shared strategic plan for the department and the Board of Forestry. The strategic plan commits to working within state government budgeting and policy processes to promote and implement the vision, which identifies organizational excellence as a priority. The goal of organizational excellence is to strengthen trust and confidence in ODF's ability to effectively accomplish its mission and provide excellent service to Oregonians. In this context, the vision recognizes state agencies have an obligation to the Oregonians they serve to continually improve business processes to promote organizational efficiency and effectiveness in their delivery of services. It also recognizes that achieving organizational excellence requires alignment: internally at all levels; with the direction provided by the Board of Forestry, Executive Branch and Legislature; with our partners; and with the public we serve. This package is a tangible step forward in improving budget alignment and achieving efficiencies in business processes.

How achieved: This package was developed collaboratively amongst all impacted parts of the department including the Forest Resources Division, Administration Division, State Forests Division, Protection Division and Business Services Division. If implemented these actions will occur as part of 2027-29 budget implementation following the 2027 Legislative Session. Additional implementation actions such as organizational or supervisory changes will not be needed as this package aligns the biennial budget with current execution.

Staffing impact: This proposal corrects the classification of a Forest Resources Division position at the biennial budget level to match execution, reclasses ten (10) field-based positions impacting all three operating divisions, reclasses a State Forests Division position and adds four (4) months to another State Forests Division position. All other adjustments are technical in nature and align with current implementation.

Quantifying results: If implemented, the proposed actions will be taken in preparing to implement the 2027-29 budget.

Revenue source: Existing funding, this is a revenue-neutral proposal.

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	($698,480)		
Other Funds	($269,020)		
Federal Funds	$606,146		
All Funds	**($361,354)**		
Position/FTE	**(1)/(1.00)**		

Package 110 – MMA Hangar Phase 2 (Capital Bonding)
Purpose: This package supports program efficiencies by providing adequate permanent hangar facilities for ODF's new multi-mission aircraft (MMA). Current estimates for all hangar options — including construction, refurbishment, and purchase — have come in significantly above the authorized bond amount. Without additional funding, the agency will be limited to leasing hangar space, which is neither cost-effective nor operationally sustainable as a long-term solution for the program.

How achieved: This package requests $2 million in capital bonding authority to supplement existing authorized funds and enable pursuit of a permanent hangar facility. Evaluated options have included new construction, refurbishment of existing structures, and direct purchase. Additional bond authority would provide the financial flexibility needed to execute a viable permanent solution at current market costs.

Staffing impact: No direct staffing impact. Securing a permanent hangar facility would reduce administrative burden associated with managing lease arrangements and improve operational continuity for aviation program personnel.

Quantifying results: Securing a permanent hangar eliminates ongoing lease costs, provides a stable, mission-appropriate operating environment for the MMA, and supports the long-term sustainability of ODF's aviation program. Leasing hangar space on an ongoing basis represents a less favorable financial outcome over the program lifecycle compared to a one-time capital investment in permanent facilities.

Revenue source: Capital Bonding, repayment via 100% General Fund.

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	$0		
Other Funds	$35,000		
Federal Funds	$0		
All Funds	**$35,000**		
Position/FTE	0 / 0.00		

Package 111 – Deferred Maintenance

Purpose: The purpose of this package is to request authority to address deferred maintenance issues, mandated by the budget instructions to be at least 2% of current replacement value of the department's buildings and structures. The 2017 Legislature passed Senate Bill 1067 requiring all agencies to include at least 2% of the current replacement value in their Agency Request Budget.

How achieved: With more than 460 buildings/structures totaling nearly 838,000 ft2 and a current value of over $351 million in structural assets, deferred maintenance, capital improvement, and capital construction investments to modernize the department's buildings are a significant need statewide. This is further supported by the fact that many of our facilities are well over 50 years old with an average facility condition index in the fair/poor category. This investment would allow the structures to be maintained or improved to a condition considered well-maintained.

Only Cost of Issuance related to the debt to be issued for this package resides in Centralized Services. The remainder of this package is in the Capital Improvement program.

Staffing impact: No position count FTE change is occurring in Centralized Services.

Quantifying results: Results will be consistently quantified by the trend of the facility condition index. Target milestones will be evaluated quarterly and reported to the Capital Projects Advisory Board every June of the even year prior to the forthcoming legislation session.

Revenue source:

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	$0		
Other Funds	$80,000		
Federal Funds	$0		
All Funds	**$80,000**		
Position/FTE	**0 / 0.00**		

Detail of Revenue 107BF07

Source	Fund	ORBITS Revenue Acct	2023-2025 Actuals	2025-27 Legislatively Adopted	2025-27 Estimated	2027-29 Agency Request	2027-29 Governor's	2027-29 Legislatively Adopted
Forest Protection Taxes	3400	0170	$929,065	$0	$0	$0		
Business Lic and Fees	3400	0205	$4,100	$131,121	$131,121	$5,000		
Charges for Services	3400	0410	$3,736,011	$3,208,619	$3,208,619	$2,792,015		
Fines & Forfeitures	3400	0505	$23,253	$0	$0	$0		
Rents & Royalties	3400	0510	$1,834	$0	$0	$0		
Sales Income	3400	0705	$4,147	$28,678	$28,678	$4,560		
Donations	3400	0905	$4,650	$1,460	$1,460	$5,115		
Other Revenues	3400	0975	$370,903	$42,883	$42,883	$82,405		
Federal Funds	6400	0995	$3,505,326	$2,865,041	$2,865,041	$10,076,220		
Transfer In-Intrafund	3400	1010	$18,118,709	$30,056,228	$30,056,228	$18,611,212		
Transfer from General Fund	3400	1060	$30,072,996	$37,596,836	$37,596,836	$0		
Transfer from Administrative Svcs	3400	1107	$36,969	$0	$0	$0		
Tsfr From lands, Dept of State	3400	1141	$221,718	$0	$0	$0		
Tsfr from Emergency Mgmt Dept	3400	1258	$16,967	$0	$0	$0		
Tsfr Out-Intrafund	3400	2010	($17,132)	$0	$0	$0		