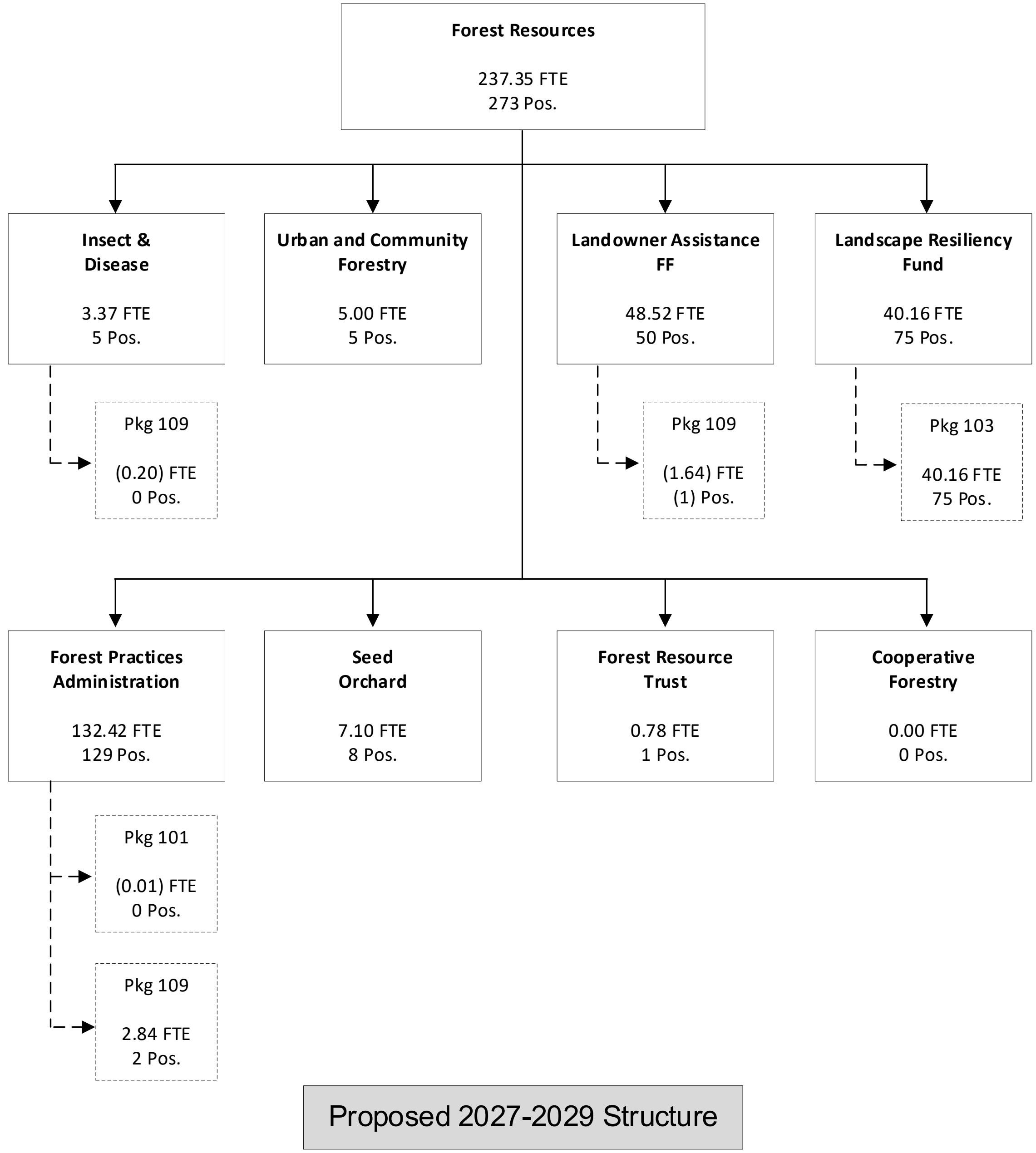
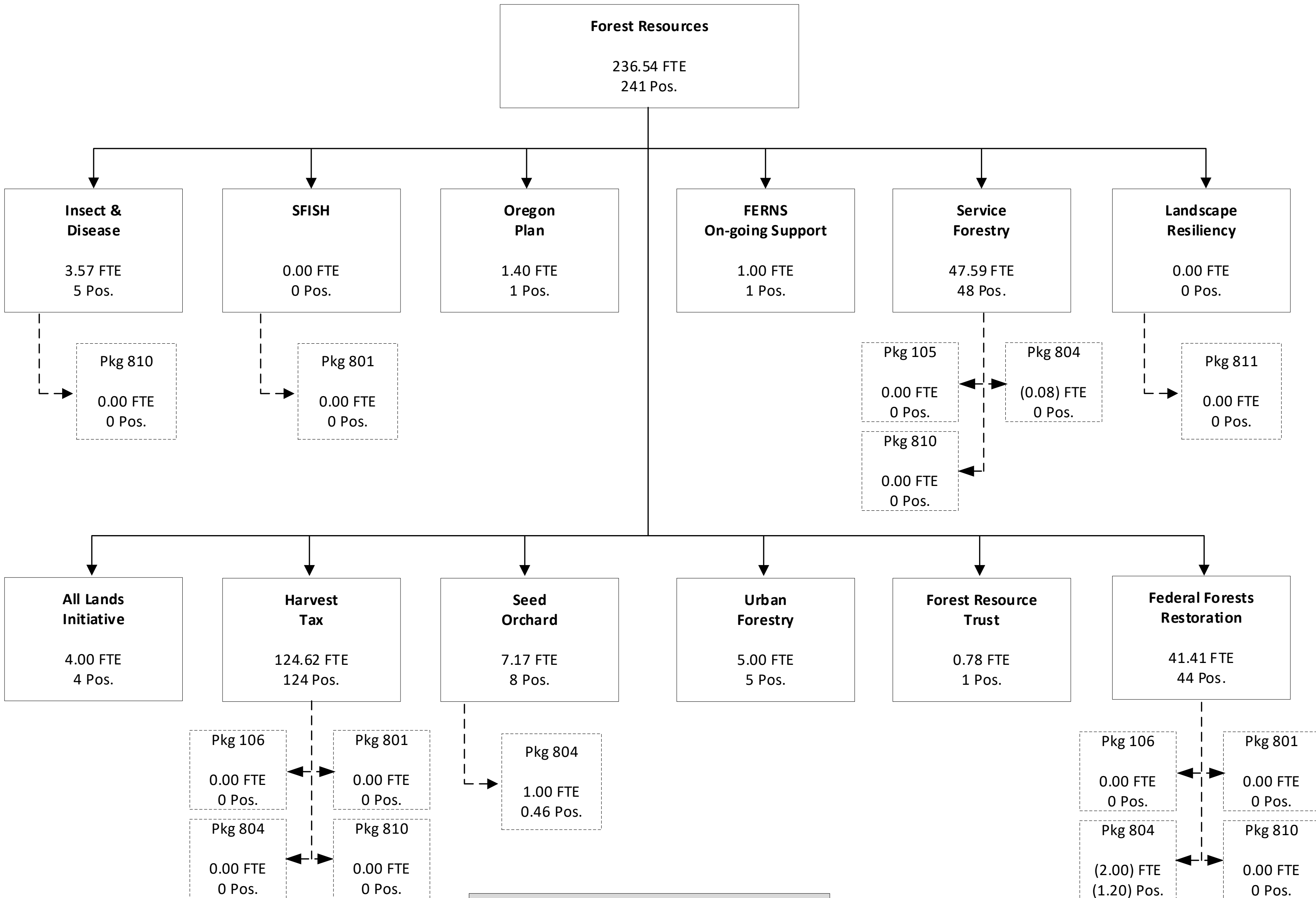
Organization Charts



Forest Resources Division Narrative



Prior 2025-2027 Structure

Forest Resources Division Narrative

Executive Summary

Long-term focus areas of the division

The division's work contributes to all five priorities of the Vision for Oregon's Forests, the strategic plan for the department and the Board of Forestry. The Vision prioritizes promoting resilient forests, supporting resilient communities, addressing the wildfire crisis, providing climate leadership, and striving for organizational excellence.

Primary contact

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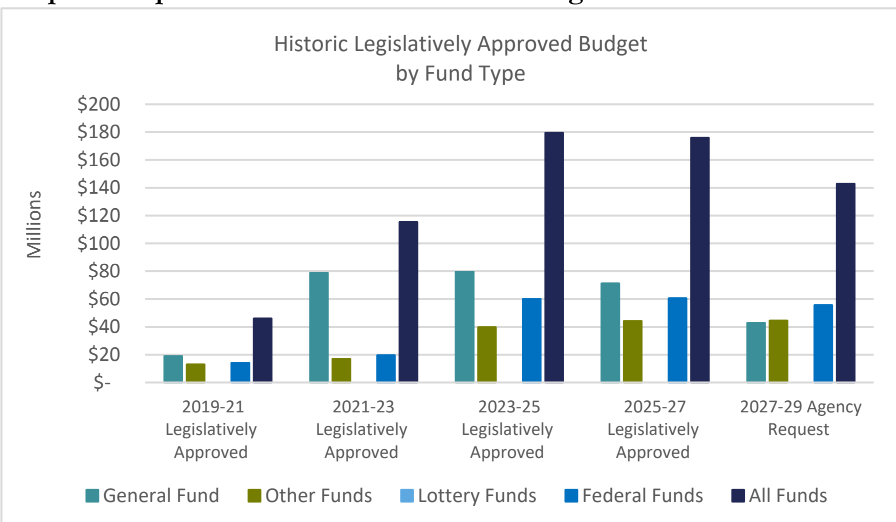
Graphical representation of the division's budget over time



Division overview

Nearly half of Oregon is forestland, the division works with landowners, the timber industry, the conservation community, and other organizations to keep these forests healthy and productive. The division's work is twofold- to protect and maintain fish and wildlife habitat, soil, air, and water resources while encouraging economically efficient forest practices that ensure the continuous growing and harvesting of forest tree species. This provides many long-term environmental, economic, and social benefits.

On non-federal forestlands, where 72% of timber harvests in Oregon occur, the division does this by administering the Forest Practice Act to ensure the sound management of soil, air, water, fish and wildlife and scenic resources for future generations of Oregonians. Across all landownership types including federal forestlands which account for 60% of Oregon's forested acres, the division works to increase the resilience of Oregon's forests by protecting, managing, and promoting stewardship to enhance environmental, economic and community sustainability and providing technical and financial assistance through a variety of programs.

Division funding request

For 2027-29, the Forest Resources Division is requesting $142,566,122 Total Funds ($42,905,482 General, $44,153,357 Other, and $55,507,283 Federal Funds) enabling the division's ability to:

- Protect the environment and sustain healthy forests by training and educating staff, forest workers, landowners, urban and community forestry programs and the public.
- Inspect and monitor forest work to ensure high compliance rates with the forest practice rules.
- Improve and check forest health by detecting harmful insects and diseases early; preventing, suppressing, and eradicating them; and diligently researching forest health strategies.
- Leverage federal and other funds to maximize Oregon's investments and conserve forestlands at risk of conversion to other uses.
- Partner with federal agencies and local communities to provide technical assistance and incentives, particularly to small forestland owners, urban and community forestry programs and after disasters.
- Work to restore forestlands to healthy, resilient forests, and reduce the risk of high severity wildfire.

Based on the standard inflation rate, the projected Total Funds budget to maintain these services is $154,259,066 in 2029-31 and $165,124,433 in 2031-33.

Division description

Oregon's forests are the backbone to healthy living, climate-change mitigation and adaptation, and a strong economy. The division provides programs and services to ensure these long-term benefits of healthy, well-managed forests.

Forest Resources Division Narrative

With the proper investments, the division can keep delivering and improving these benefits.

The work of the Forest Resources Division is accomplished by staff organized into two operating categories in Salem and the field staff who deliver those programs directly in the forests and with landowners. Forest Practices Act and Monitoring programs make up one portion of the division while the remaining programs fall within the Landscape Resiliency and Assistance portion of the division.

The Forest Practices Act (FPA) applies to all non-federal forestlands and encourages economically efficient forest practices to ensure the continuous growing and harvesting of forest tree species and the maintenance of forestlands consistent with sound management of soil, air, water, fish and wildlife resources and scenic resources to ensure the continuous benefits of those resources for future generations of Oregonians.

The division, conservation community, landowners, and timber industry work together to protect natural resources. To achieve this, the division:

- Educates, trains and gives technical advice related to forest practice rules and forest management.
- Inspects before, during, and after operations.
- Enforces the Forest Practice Act, forest practice rules, responds to complaints and issues civil and other penalties.
- Conducts compliance audits to assess landowner compliance and conducts research to measure how well the FPA works. This is done in conjunction with the Compliance Monitoring Committee, the Adaptive Management Program Committee (AMPC), and the Independent Research and Science Team (IRST).
- Maintains the electronic notification system (FERNS) which supports administrative and enforcement efficiencies allowing foresters to invest more time directly helping landowners.

The Landscape Resiliency and Assistance side of the division encompasses several diverse programs designed to increase the pace and scale of forest restoration and improve the resilience of Oregon's forests by protecting, managing, and promoting stewardship to enhance environmental, economic and community sustainability. This half of the division administers programs spanning all ownership types; private, family, or small forestlands, private industrial forestlands, urban and community forestlands, tribal forestlands, state public lands and federal forestlands. This includes the following bodies of work:

- The Small Forestland Owner Office provides outreach, technical assistance and financial assistance to small forestland owners and administers related programs including the Forest Conservation Tax Credit (FCTC) program and the Small Forestland Investment in Stream Habitat (SFISH) grant program.
- The Incentives Program, within the Small Forestland Owner Office, administers federal and state grant and incentive programs for the benefit of a variety of landowner types and partners in collaboration with field staff. This includes but is not limited to the Forest Legacy Program, the Forest Stewardship Program, Emergency Forest Restoration Program, Natural Resource Conservation Service programs, the Small Forestland Grant Program and the Landscape Resiliency Program.
- The Urban and Community Forestry Program helps Oregon's 241 cities, other local governments, and community organizations with many natural resource issues that include resource management, natural hazard mitigation, and climate-change adaptation. One of the ways they do this is dispersing and administering grant dollars.
- The Forest Health Program partners with universities and federal agencies to survey 28-40 million acres each year to detect and monitor insect and disease damage. This work, combined with specialized surveys, provides data to prevent and manage insects, diseases, and invasive plants.
- The J.E. Schroeder Seed Orchard improves forest productivity, health, and economic sustainability by producing high-quality tree seed. The orchard uses an innovative, long-term, public-private cooperative business model to benefit members.
- The Oregon Seed Bank is housed at the orchard and acquires climatically improved tree seed to make available for family forest landowners.

Division challenges

ODF doesn't have the appropriate resources—including equipment, personnel and funding—for us to sustainably provide for landscape resiliency, wildfire response, and post-fire restoration in the aftermath of today's catastrophic wildfires. Additionally, the long-standing "all hands on deck," cross-divisional approach to wildfire response is overextending employees and compromising the agency's ability to accomplish its core business more and more every year. There are several opportunities to bridge these gaps, but all would require some level of General Fund investment in the department.

Current budget challenges include the lack of Other Funds expenditure limitation and Other Funds position authority related to Landscape Resiliency funding and the lack of permanent funding for the Private Forest Accord (PFA) programs. For the division, the first request would be OF limitation for the landscape resiliency program and consistent permanent funding for statutorily mandated PFA programs.

To align with the legislative intent of the program, the division has requested a revenue neutral POP for 27-29 to secure permanent OF limitation and OF position authority.

Relevant to the needed permanent funding for PFA programs, the uncertainty of funding amounts for both the Adaptive Management Program and Small Forestland Investment in Stream Habitat (SFISH) Program complicates strategic planning and impedes the efficient delivery of programs. Both programs serve as vital infrastructure to the future PFA Habitat Conservation Plan. The division has continued to articulate the need for permanent funding through the "Important information for decision makers" section of our narrative in lieu of being able to submit a POP. For 25-27 both programs received additional one-time funding.

Additionally, the current electronic notification system was launched in 2014 as a simple notification tool intended to replace paper forms used to notify for commercial forest activities. The system is the mechanism for regulated individuals to submit to Notification of Operations for commercial operations, submit activity completion reports and request Power-Driven Machinery permits. ODF staff use the system to review notifications and evaluate impacts for protected resources, communicate with landowners and document inspections and administration of the Forest Practices Act. The system does not have the capacity to adapt to evolving statutory or rule requirements like those prompted by the Private Forest Accord, expanded reporting needs such as those related to the Habitat Conservation Plan or water quality implementation plans, business processes and the emergence of more advanced, cost-effective and efficient solutions. Funding is needed to replace the current electronic notification system, support maintenance and change management/transition efforts.

Division justification

The division's functions fulfill various statutory obligations of the Department of Forestry, the State Forester, and the Board of Forestry. The work of the division is authorized by the related Oregon Revised Statutes (ORS) and where necessary, federal authorities. More detailed information is in the "Enabling legislation/program authorization" section of the Executive Summary.

The division's responsibilities reflect Oregon's long-term land use planning goal 4 which was established in 1973. Goal 4 relates to forest lands and its purpose is "To conserve forest lands by maintaining the forest land base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forest land consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.".

The division's work also makes significant contributions to the following priorities and goals of the Vision for Oregon's Forests:

- Priority: Promoting 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: Supporting 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, and mitigate wildfire to protect communities and expedite forest resilience activities that promote the adaptive capacity of Oregon's forests.

- Priority: Providing Climate Leadership
  - Goal: The board and department will build capacity for climate-smart leadership.
- Priority: Striving for Organizational Excellence
  - Goal: Strengthen trust and confidence in ODF's ability to effectively accomplish its mission and provide excellent service to Oregonians.

Division performance

The division is responsible for the following department 2025-27 Key Performance Measures (KPM) which are covered in detail in the "Special Reports" section of the Agency Request Budget:

- #3 Forest Practices Act Compliance- Percent of forest operations that are in compliance with the FPA.
- #4 Urban and Community Forest Management- Percent of Oregon cities actively managing their urban and community forest resources.
- #7 Percentage of Private a) total industrial and b) non-industrial forestland managed at or above Forest Practices Act standards- determined by percentage of private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans.
- #8 Forest Stream Water Quality- Percent of monitored stream sites associated predominantly with forestland with a) significantly increasing trends in water quality b) significantly decreasing trends in water quality and c) water quality in good to excellent condition.
- #9 Voluntary Public and Private Investments Made to Create Healthy Forests- Cumulative public and private forest landowner investments made in voluntary projects for the Oregon Plan for Salmon and Watersheds or for the Oregon Conservation Strategy.
- #13 Damage to Oregon Forests from insects, diseases, and other agents- percent of forest lands without significant damage mortality as assessed by aerial surveys.

The table below shows the division's yearly performance as KPM results against the specific target set for that reporting year. Results in green indicate the target was met, exceeded or the division was within 5% of doing so, results in yellow indicate the division was within 6-15% of meeting the target while red results indicate the target was not met by more than 15%. If a result box is blank, data is unavailable for that specific year and KPM.

KPM	2018	2019	2020	2021	2022	2023	2024	2025	26-27 Targets
#3									100%
#4									50%
#7a									90%
#7b									25%
#8a									25%
#8b									5%
#8c									80%
#9									112.50
#13									99%

Enabling legislation/program authorization

The division works to meet the statutory obligations of the Department of Forestry, the State Forester, and the Board of Forestry as authorized and directed by several state laws, most notably:

- ORS Chapter 527- Pest Control, outlines the following division responsibilities: surveying and monitoring for forest health threats, administering and enforcing the Forest Practices Act, establishing regulations for forest practices to maintain water quality, and maintaining an electronic forest activity reporting system.
- ORS Chapter 526- Forestry Administration, intersects with the following aspects of the division's work: cooperation with federal agencies, participation in federal forest management, urban and community forestry, and the seed bank and seed orchard which are elements of the Woodland Management Act of 1979 within ORS Chapter 526.
- ORS Chapter 477- Fire Protection of Forests and Vegetation, directly connects to the division's work through ORS 477.503 which tasks the department with implementing a program to reduce wildfire risk through the restoration of landscape resiliency and the reduction of hazardous fuels (delivered as the Landscape Resiliency Program) and the development and implementation of a 20-year Landscape Resiliency Strategy. Additionally, ORS 477.748 tasks the department with administering the Small Forestland Grant program to provide

competitive grants for the benefit of specific landowners to restore landscape resiliency and reduce hazardous fuels.

Funding streams
The division receives funds from several sources, including:

- General Funds which are utilized much like other executive branch agencies. Per ORS 321.015, the General Fund is responsible for contributing 60% of the costs to administer the Forest Practices Act.
- Federal Funds are received from several federal agencies but predominately from the United States Department of Agriculture's (USDA) U.S. Forest Service (USFS) and Natural Resource Conservation Service (NRCS) and the Bureau of Land Management (BLM). Per ORS 526.273 the department is to cooperate with federal agencies to increase the effectiveness of activities to restore the health, diversity, and resilience of federal forests.
  - Depending on the specific federal funding stream, matching funds up to 50% can be required, however they can also be waived. Some funds are received as part of a competitive process while the division serves as Oregon's dedicated pass-through entity for specific federal funding streams.
- Other Funds include Oregon Forest Products Harvest Tax, Oral Nicotine Products Tax, interest from Oregon's Rainy Day Fund cooperative projects, private donations, and other receipts and fees.
  - Per ORS 321.015, the Oregon Forest Products Harvest Tax contributes 40% of the costs to administer the Forest Practices Act while the General Fund covers the other 60%.
  - Cooperative project partners include but are not limited to Oregon State University, the Oregon Departments of Agriculture, Fish and Wildlife, and Environmental Quality, the Oregon Watershed Enhancement Board, the Oregon Forest & Industries Council, and the federal NRCS, USFS and BLM.
  - Oral Nicotine Products Tax and Oregon Rainy Day Fund. HB 3940 (2025) established two new revenue sources for the Landscape Resiliency Fund with deposits beginning in the 2025-2027 biennium. They include one-third of the revenues from the Oral Nicotine Products Tax and 6.7% of the monthly interest earned on the Oregon Rainy Day Fund.
  - Private donations can be received by the Urban and Community Forestry program, but this rarely occurs.
  - Other receipts and fees include seed sales for family forestland owners, and document request fees.

Funding proposal comparison
The division's 2027-29 funding proposal is an 18% Total Funds increase over Current Service Level. This increase is attributed to Policy Option Package 103- *Enabling the Use of Landscape Resiliency Funds,* which requests $21 Million in Other Funds limitation authority and does not have a General Fund impact. It's important to note that critical investments made by the Legislature as one-time allocations in prior biennia are not captured within CSL and carried into 2027-29. Please refer to the "Important background for decision makers" section of the Program Narrative for more information.

Program Narrative

The work of the Forest Resources Division is accomplished by staff organized into two operating categories in Salem (Forest Practices Act & Monitoring and Landscape Resiliency and Assistance) and the field staff who deliver those programs directly in the forests and with landowners.

Through Policy Option Package 103, the division is requesting a permanent $21 million increase in Other Funds limitation to enable the use of landscape resiliency funds. POP 103 is discussed at length in the division's Policy Package Narrative section. The division is also making a revenue-neutral request through POP 109 to make technical adjustments to various positions. POP 109 is discussed at length in the division's Policy Package Narrative section.

Additionally, the division has put forward a legislative concept to establish the Oregon Forest Products Harvest Tax rate for the 2028 and 2029 calendar years. The concept continues the historical approach to setting the tax rate and maintains the concept that funding the division's Forest Practices Act administration work is the shared responsibility of the public (General Funds) and those harvesting forest products (harvest tax revenue).

Important background for decision makers
It's important to note that critical investments made by the Legislature as one-time allocations in prior biennia related to Private Forest Accord Commitments are not captured within Current Service Level and carried into 2027-29. The

division was also not provided with limitation authority for the Landscape Resiliency Fund revenue sources established in the 2025 Legislative Session. Additionally, investments are needed to advance the electronic notification system to enhance system functionality and reliability, enable workload management and improve efficiency and accuracy of reporting capabilities.

Private Forest Accord Commitments. In 2020, the Legislature passed Senate Bill 1602 which amongst other things, required the Governor to facilitate mediated sessions between representatives of the forest industry and representatives of environmental interests. As a product of this collaborative process the 2022 Private Forest Accord Report was drafted and released by an author group comprised of representatives from those discussions. During the 2022 Legislative Session, Senate Bills 1501 and 1502 were passed making substantial changes to the Forest Practices Act (FPA) and requiring the recommendations of the Private Forest Accord Report be incorporated into the forest practice rules.

SB 1501 (2022) directed these actions to support the development of the Private Forest Accord (PFA) Habitat Conservation Plan (HCP) and the pursuit of incidental take permits (ITPs). However, the Legislature has not provided permanent funding for the Adaptive Management Program Committee (AMPC) and Independent Research and Science Team (IRST) activities or Small Forestland Investment in Stream Habitat (SFISH) grants which are key strategies in the PFA HCP.

The AMPC and IRST are integral to the Adaptive Management Program and help ensure resource objectives are met and the best available science is applied to decision making. The AMPC sets the research agenda, assesses scientific findings, assists the Board of Forestry in identifying and modifying resource objectives, and submits recommendations to the Board related to forest practice rules, guidance and training. The IRST conducts and oversees research and reports scientific findings to AMPC and the Board. Funds are needed to support the research agenda as well as participation grants. SFISH grants are made available to qualified small forestland owners to replace fish stream culverts, repair abandoned roads and improve or relocate roads that pose hazards to fish-bearing streams. Failure to provide SFISH grant funding will dramatically decrease the likelihood of fish habitat improvement on these lands.

To be successful in its endeavor to secure approval of the PFA HCP and associated ITPs for landowners, Oregon will need to demonstrate stable funding for the programs and strategies necessary to support the HCP. Per SB 1501 (2022), if ITPs are not secured by December 31, 2027, the revisions to the FPA and forest practice rules are to be repealed per the specified protocol. Biennially, $6 million is needed to fund the AMPC and IRST activities and $10 Million is needed to fund SFISH grants to fulfill Oregon's PFA commitments.

Enabling the Use of Landscape Resiliency Funds. In 2025, HB 3940, a comprehensive wildfire funding bill, established two ongoing sources of revenue for deposit in the Landscape Resiliency Fund. These investments stabilized funding for landscape resiliency projects and the implementation of the 20-year Landscape Resiliency Strategy however, ongoing Other Funds limitation was not provided to the department for the expenditure of these funds.

Based on the June 19, 2025, Revenue Impact Statement for HB 3940 (2025), the estimated revenue for deposit in the Landscape Resiliency Fund is $21 million in 27-29 and $27.1 million in 29-31. The department is requesting a permanent increase of $21 million Other Fund limitation and Other Fund position authority for 75 POS/40.16 FTE. This Other Funds limitation is needed to expend these funds and position authority is needed to enable on the ground work as projects are identified and to extend the work season for firefighters increasing employee retention and fire response capabilities. This would enable the division's landscape resiliency work to reduce wildfire risk and advance the Vision for Oregon's Forests priority of addressing the wildfire crisis. To learn more please refer to Package 103 in the Policy Package Narrative section.

Advancing the Electronic Notification System: Improved Customer Service & Reporting. The current electronic notification system was launched in 2014 as a simple notification tool intended to replace paper forms used to notify for commercial forest activities. The electronic-notification system is the mechanism for regulated individuals to submit Notification of Operations for commercial operations on non-federal forestlands, submit activity completion reports, and request power-driven machinery permits. ODF staff use the system to review notifications and evaluate impacts for protected resources, communicate with landowners and document inspections and administration of the Forest Practices Act. Currently, the system also serves as an informational tool providing Oregonians with information about commercial forest activities including notice of nearby helicopter spray applications.

The system does not have the capacity to adapt to evolving statutory or rule requirements like those prompted by the Private Forest Accord, expanded reporting needs such as those related to the Habitat Conservation Plan or water quality implementation plans, enhanced business processes or needs and the emergence of more advanced, cost-effective and efficient solutions. Funding and position authority is needed to replace the current electronic notification system to optimize service delivery, facilitate improved communication and accessibility both externally and internally by allowing notifiers to easily input accurate information, customize workflows to only necessitate required information, provide a more stable technology platform for reliability, use modernized technology that performs tasks to improve workload efficiency and build an adaptable system to allow future changes and incorporation of other systems ODF uses to collect and report data.

Further information on the Division's work
The **Forest Practices Act and Monitoring** portion of the division is responsible for carrying out the following aspects of the division's work:

Forest Practices Act Administration and Enforcement. The division protects Oregon's natural resources through landowner and operator education, the monitoring and evaluation of forest practice rules and the enforcement of the Forests Practices Act (FPA). The division's continued success builds on the shared responsibility and partnership among operators, landowners, volunteers who serve an advisory role to the division or the Board of Forestry and division field Stewardship and Small Forestland Owner Foresters and division staff in several working units considered to be Salem including Field Support, Adaptive Management, Civil Penalties, Training, Monitoring, and the Small Forestland Owner Office. Roles of division staff considered to be Salem, include but are not limited to wildlife biologists, geotechnical specialists, roads specialists, FPA field coordinators, FPA enforcement & civil penalties coordinators, training specialists, natural resource specialists, monitoring specialists, water quality specialists, information systems specialists, and policy analysts. Key functions of division and field staff include:

- Ensure compliance with rules for harvesting timber, constructing and maintaining roads, treating slash, using chemicals, and re-planting forests.
- Protect special resources including significant wetlands; sensitive bird nesting, roosting, and watering sites; and sites used by threatened and endangered species.
- Encourage the use of non-regulatory measures, such as stewardship agreements and cost-share programs, to support sustainable and healthy forests.
- Effectively manage data on land ownership, beneficial use, sensitive resource sites, reforestation compliance, and activity tracking and reporting.
- Maintain frequent contact with landowners and operators to help consistently apply best management practices.
- Provide effective education, guidance and technical assistance to landowners, operators, and field staff.
- Recognize performance of operators that perform above and beyond the FPA standard protections.
- Through effective enforcement, create accountability for activities not in compliance with the FPA, and correct or mitigate resource damage.
- Address public safety related to rapidly moving landslides that may come from forestlands.
- Protect scenic values along specified highways.
- Conduct monitoring on the effectiveness of rules and report the findings.
- Monitor rule compliance and utilize findings for targeted internal and external training.
- Maintain and update the electronic notification system (FERNS) as well as resource layers needed for effective application of the FPA and administration of the forest practice rules.

Volunteer members on the Regional Forest Practice Committees, Committee for Family Forestlands, Compliance Monitoring Committee, the Adaptive Management Program Committee (AMPC) and the Independent Research and Science Team (IRST) are also critical to informing this work. While each of these entities has a distinct role, the purpose is the same- to utilize their unique perspective and knowledge to evaluate if resources are adequately protected and regulations are operationally feasible, and how to enhance the division's work and at times protection either through outreach, education, policy, or enforcement. Please refer to the "Important background for decision makers" section of the program narrative to learn more about AMPC and IRST and the impact of not funding these critical activities.

Water Quality. Oregon forestlands provide a critical source of clean water and fish habitat. The division serves a critical role in ensuring high water quality by implementing and enforcing rules that protect drinking water and fish habitat from unnecessary human-caused impacts. The division supports the implementation and reporting of voluntary measures to protect and maintain water quality and fish habitat. The division also embraces its statutory requirement to conduct research and monitoring to verify that current forest management practices are indeed protective and develop new rules or policies where needed to maintain water quality and fish habitat.

The division works with other state natural resource agencies to plan for a secure and resilient future by protecting water resources. This work recognizes that Oregon's local economies and communities are vulnerable to drought, fires, and floods. To address these challenges, including climate change and urban growth, the division is working to include forestlands as key contributors to supporting a resilient natural infrastructure and maintaining ecosystem services for long-term benefits. Subject matter experts, such as water quality and riparian & aquatic specialists, and leadership collaborate with the Department of Environmental Quality to maintain and improve water quality throughout Oregon forestlands through the ODF-DEQ Memorandum of Understanding, a cooperative interagency policy that guides technical efforts.

Additionally, the division's stewardship foresters in the field play a significant role in implementing the Oregon Plan for Salmon and Watersheds, which seeks to restore salmon runs to a sustainable level and improve water quality. The Oregon Plan voluntary restoration measures are Oregon's home-grown response to listings of some salmon species under the federal Endangered Species Act. Stewardship foresters help forestland owners identify opportunities for improving riparian function and stream habitat, such as large wood placement, and work with local watershed councils to implement restoration projects and conduct monitoring.

The l**andscape resiliency and assistance** portion of the division encompasses several diverse programs that span the array of ownership types and contributes to the division's efforts through the following programs and work:

Small Forestland Owner Office. The mission of the office is to help small forestland owners reach their economic, ecological and stewardship goals for their forests through compassionate, responsible, and transparent assistance. For the purposes of the Forest Practices Act, small forestland owners are landowners who certify that they meet definition requirements related to ownership size and average harvest volume to be designated as a small forestland owner.

This work is accomplished through collaborative efforts between the office's Salem staff, Small Forestland Owner Foresters, and Stewardship Foresters in the field. Staff conduct outreach, provide education to support compliance with the FPA, and provide technical assistance and financial assistance to small forestland owners. Additionally, Salem staff administer related programs including the Small Forestland Investment in Stream Habitat (SFISH) grant program and the Forest Conservation Tax Credit (FCTC) program and inform policymaking specific to small forestland owners. Please refer to the "Important background for decision makers" section of the Program Narrative to learn more about the SFISH grant program and the impact of not funding these critical grants.

Incentives. Forestland owners often face pressure to convert forestland to non-forest uses because the land value exceeds the timber value and often need information and technical assistance to properly manage their lands for multiple resources. These forestlands produce important social, ecological, and economic value. The division aims to protect and enhance the value of these forestlands by partnering with landowners to meet their management goals.

Often landowners turn to the department for assistance with drafting forest management plans, fire and fuels management, post-fire restoration, disaster recovery and response to forest health threats caused by drought, insects, and diseases. Through partnerships with entities such as the USDA Forest Service State & Private Forestry, the USDA Natural Resources Conservation Service and USDA Farm Service Agency the division can provide technical assistance and connect forestland owners with funding to meet their management goals. This work is accomplished collaboratively amongst funding partners, landowners, Stewardship and Small Forestland Owner Foresters in the field and Salem staff who administer and coordinate programs at the state level. Additional incentive programs include the Forest Legacy Program, the Small Forestland Grant program, the Landscape Resiliency program.

Forest Resources Division Narrative

The Forest Legacy Program is a partnership with the USFS that addresses privately-owned forestlands that face threats of conversion to non-forest use by development pressures. The program provides funds for eligible private forestlands for the purchase of development rights through either conservation easement or fee-title acquisition into public ownership.

The Small Forestland Grant program is a state funded program that provides competitive grants to support the reduction of wildfire risk for landowners with up to 160 acres west of the crest of the Cascade Mountains or up to 640 acres east of the crest of the Cascade Mountains.

The Landscape Resiliency Program uses a strategic approach to reduce wildfire risk through the restoration of landscape resiliency and the reduction of hazardous fuels. The program uses the 20-Year Landscape Resiliency Strategy to target high-risk acres of forest and range lands to reduce wildfire risk through activities such as thinning forests, prescribed burns, removing invasive species, and restoring lands after fires. The work aims to help economic development and steward lands that can endure extreme fire, drought, and pests. The strategy utilizes a shared stewardship model which involves many partners, with large scale, cross-boundary, joint priorities working to align federal, state, and private investments. Please refer to Package 103 in the Policy Package Narrative section to learn more about needed Other Fund limitation for the use of Landscape Resiliency Funds.

Urban and Community Forestry. Oregon cities face many challenges when balancing competing social demands with the economic and environmental benefits their urban forests provide. There is a large and growing need for proactive urban forestry management. However, most cities – especially rural communities with less than 30,000 people – lack the urban forestry technical knowledge and organizational capacity to address forest management issues or build on the benefits of urban forests. Day-to-day urban forest management involves managing tree risk in public areas, scheduling pruning, and other tree maintenance, anticipating, and preparing for invasive insects and extreme weather, and selecting proper trees to augment city infrastructure rather than damage it. The division's Urban and Community Forestry staff help cities of all sizes learn these proactive and planning-based urban forestry management skills.

Further, the ways urban trees can augment economic, environmental, and social well-being are not well understood by the public. In the rush to address the lack of housing in Oregon, some factions pit the need to provide more housing capacity against the importance of retaining and creating healthy tree canopy. When land development processes allow for the total removal of healthy, mature trees this can often impact water quality, increase flooding and stormwater runoff, reduce air quality, diminish wildlife habitat, reduce community livability, and raise social justice concerns. Increased development in the wildland-urban interface may also fragment forested lands and boost the risk of catastrophic wildfire. Well-informed planning and development can include retaining and improving tree canopy while addressing housing pressure and improving livability. For example, in downtown areas, trees can stimulate economic health, reduce the heat-island effect, and make streets more attractive to shoppers, workers, and residents. Community and neighborhood parks with generous tree canopies contribute to the improved physical and mental health of the people who use them. An additional area of this program's work is helping cities and the public understand development trade-offs, urban forestry best management practices, and the importance of investing in urban forests for their many benefits.

Forest Health. Insects, diseases, and invasive species kill many trees and reduce forest growth, damaging the economic and ecological roles of forests. These disturbances also contribute to hazardous wildfire conditions.

The division invests millions of dollars in federal grant funds to respond to, control, and prevent pest problems. The program educates, trains, and helps the public, including delivery of cost-share funding, particularly in the wildland-urban interface areas. To deliver on these priorities the program:

- Conducts aerial and ground surveys on about 28 to 40 million forested acres each year to detect and monitor abiotic, insect, disease, and damage. Oregon and Washington lead the nation with the longest consecutive record of annual aerial surveys, starting in 1947.
- Provides technical help and training to forest owners, foresters, and agencies about forest health and pest management.
- Slows the spread of the sudden oak death pathogen through intensive treatments.
- Performs surveys to detect forest health threats including diseases like Swiss needle cast and sudden oak death, invasive pests like the emerald

ash borer, mediterranean oak borer, and gypsy moth, and damage from bears and other threats.
- Analyzes the state's insect and disease trends. For example, in 2023, the state observed 2.6 million acres with tree damage and mortality due to abiotic, insects and disease agents. Drought stress was a primary contributor to this second, sequential year of historic damage.

The damage caused by these insects and diseases, when unchecked, exacerbates the risk of wildfire across the state. Forest health is one of the first steps in proactively preventing wildfire and reducing risks of catastrophic wildfires. This work is done collaboratively amongst subject matter experts in Salem including pathologists, invasive species specialists, entomologists, aerial surveyors, monitoring specialists, and forest management technicians and the Stewardship and Small Forestland Owner Foresters in the field as well as subject matter experts across various state and federal agencies and universities.

Seed Orchard & Oregon Seed Bank. The J.E. Schroeder Seed Orchard advances the productivity, resiliency, and economic sustainability of Oregon's forests by growing high-quality tree seed. The orchard helps ensure an ongoing supply of high-quality seed adapted to forest environments. The seed has highly desirable ecological traits, such as improved growth potential, wood quality, and disease tolerance. The orchard makes these enhancements using conventional plant-breeding methods without genetic engineering or molecular technologies.

The orchard is owned and managed by the Oregon Department of Forestry, with cooperators providing funding and management direction. The orchard uses an innovative, long-term, public-private cooperative business model to benefit members while supplying an essential public resource. The orchard's cooperative business model is built on repayment of services by the cooperators, receiving no dedicated outside state or federal funding.

Currently, the orchard has 45 cooperative orchards with 25 different cooperative members, including but not limited to state and federal agencies, and industrial forest companies. Among other species, the orchards include Douglas-fir from Oregon and Washington, western hemlock, western redcedar, eastern Oregon Ponderosa pine, western larch, and Willamette Valley ponderosa pine. Yields of cone crops are consistently high and predictable. The 2025 harvest produced 1,663 pounds of Douglas-fir seed capable of producing 25 million seedlings and reforesting over 62,500 acres.

The Oregon Seed Bank, housed at the orchard, assures appropriate, climatically adapted tree seed is available for family forest landowners throughout Oregon. The Seed Bank can purchase up to 6 percent of each harvest from the orchard and makes it available to purchase at cost for family forest landowners, conservation programs, and tree seedling nurseries.

In fiscal year 2025, the Seed Bank distributed more than 619 pounds of seed capable of producing more than 7 million seedlings. This seed, comprised of twelve important species, is enough to reforest over 17,500 acres. These seeds have improved genes and can produce trees with greater growth. This has the potential to increase profitability for family forest landowners and is consistent with department goals of maintaining a productive forest land base. Ecologically adapted seed is an asset that may further benefit the forestry sector and stimulate Oregon's timber economy.

Essential Packages

Pkg 010-Vacancy Factor and Non-ORPICS Personal Services

This package includes standard inflation of 4.9% on non-ORPICS items such as temporaries, overtime, shift differential, all other differentials, and unemployment compensation, including the OPE associated with them. Additionally, vacancy savings is computed as a 5% reduction to position costs for anticipated savings from staffing turnover, reducing Personal Services limitation by -$291,775 (-$126,608 General Fund, -$68,661 Other Funds and -$96,506 Federal Funds).

Pkg 022-Phase-out Program & One-time Costs

The purpose of this package is to Phase Out one-time budget increases remaining from prior biennia. In the Forest Resources Division there are three Phase Outs. First, the Adaptive Management Program is being removed, reducing the limitation by $4,500,000. Second, the SFISH program is being removed, reducing limitation by ($2,000,000) General Fund and ($8,000,000) Other Funds. Last, the Landscape Resiliency program is being phased out, reducing both General and Other Funds by ($7,000,000) each.

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 4.9% for standard or "generic" accounts, and then larger rates for "Price List Accounts," specifically 9.3% for Professional Services charges. There is no change to position counts or FTE.

Pkg 032-Above Standard Inflation
The purpose of this package is inflation above the standard rate. General Fund support by operating programs for ODF's portion of the DAS Price List, recorded as State Government Service Charges is recorded in this package. The Forest Resources program support is being increased in the amount of $2,880,478 General Fund. There is no change to position counts or FTE.

Pkg 033-Exceptional Inflation
The purpose of this package is to record increases to the budget which exceed the standard inflation rate. Increases to the Centralized Services budget are supported by the operating programs. In the Forest Resources program this is causing an increase to Special Payments of $3,446,435 General Fund. There is no change to Position Counts or FTE.

Pkg 060-Technical Adjustments
The purpose of this package is to make technical budget adjustments and corrections. The department is making multiple structure changes this biennium due to internal re-organization efforts. These actions are net-zero at the Agency-wide and Fund Type level, but not at the SCR level, resulting in the Forest Resources program in a decrease of ($42,960,466), the net of ($25,552,909 General Fund, ($8,350,329) Other Funds, and ($9,057,228) Federal Funds, along with the reduction of (41) position Counts and (38.84) FTE.

Policy Packages

Package Number	Component Title	Total Funds	Positions / FTEs
101	Centralized Administrative Costs Support	$0	0 / (0.01)
103	Enabling the Use of Landscape Resiliency Funds	$21,000,000	75/40.16
109	Revenue-Neutral Technical Adjustments	$362,076	1 / 1.00
	Total Packages:	**$21,362,076**	**76/41.15**

Package Narratives

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 2024 Legislature 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 2025 Legislative Session and again received General Fund allotment for FY26.

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 accounting 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	$0		
Other Funds	$0		
Federal Funds	$0		
All Funds	**$0**		
Position/FTE	**0 / (0.01)**		

Package 103 – Enabling the Use of Landscape Resiliency Funds
Purpose: This package proposes a permanent increase in Other Funds limitation and Other Funds position authority to enable the use of landscape resiliency funding and is revenue neutral.

Established in 2021 by Senate Bill 762, Oregon Revised Statute (ORS) 477.503 tasks the department with implementing a program to reduce wildfire risk through the restoration of landscape resiliency and reduction of hazardous fuels (implemented as the Landscape Resiliency Program) and requires the development and implementation of a 20-year strategic plan (known as the 20-Year Landscape Resiliency Strategy) that prioritizes restoration actions and geographies for wildfire reduction efforts.

The 20-Year Landscape Resiliency Strategy was developed with private, local, state, and federal partners to target high-risk acres of forest and range lands to reduce wildfire risk. The plan is used to strategically focus investments and activities on the landscape that improve forest health such as thinning forests, prescribed burns, removing invasive species, and restoring lands after fires. The work aims to help economic development and steward lands that can endure extreme fire, drought, and pests. The strategy utilizes a shared stewardship model which involves many partners, with large scale, cross-boundary, joint priorities working to align federal, state, and private investments.

In 2023, SB 83 established the Landscape Resiliency Fund, now found in ORS 477.502, separate and distinct from the General Fund. Moneys in the fund are continuously appropriated to the department for landscape resiliency projects and implementing ORS 477.503.

In 2025, HB 3940, a comprehensive wildfire funding bill, established two ongoing sources of revenue for deposit in the Landscape Resiliency Fund. These investments stabilized funding for landscape resiliency projects and the implementation of the 20-year Landscape Resiliency Strategy however, ongoing Other Funds limitation was not provided to the department for the expenditure of these funds. Other Funds limitation is needed to expend these funds. Additionally, position authority is needed to enable on-the-groundwork to happen, including extending the work season for seasonal firefighters, which also contributes to increasing employee retention and fire response capabilities.

In October 2025, Governor Kotek issued Executive Order (EO) 25-26 directing state agencies to take urgent action to promote the resilience of our communities and natural and working lands and waters. EO 25-26 directs agencies to keep Oregon's working lands and waters working by improving programs, processes and practices that protect and promote stewardship of working lands and waters to adapt to impacts from a changing climate and to ensure a livable Oregon. The order explicitly charges agencies with protecting Oregon from catastrophic wildfire, implementing the 20-year Landscape Resiliency Strategy and taking action to prioritize landscapes for restoration and resilience treatments, including identifying pathways to increase the extent and scale of treatments and maximize dedicated funding.

Based on the June 19, 2025, Revenue Impact Statement for HB 3940 (2025), the estimated revenue for deposit in the Landscape Resiliency Fund is $21 million in 27-29 and $27.1 million in 29-31. The department is requesting a permanent increase of $21 million Other Fund limitation and Other Fund position authority for 75 POS/40.16 FTE to enable the use of these revenue sources and provide staff for on-the-groundwork.

How achieved: The desired outcome is to secure permanent Other Funds limitation expenditure authority sufficient to expend revenue from the Landscape Resiliency Fund as it's deposited and Other Fund position authority to enable on-the-groundwork as projects are identified. Establishing the necessary ongoing, permanent Other Funds limitation and OF position authority will enable a steadier, more strategic approach to completing work on the ground furthering the implementation of the 20-year Landscape Resiliency Strategy, the work of EO 25-26 and furthering the priorities in the Vision for Oregon's Forests and the Climate Change and Carbon Plan.

Staffing impact: Ongoing position authority for twenty-seven (27) seasonal full-time Forest Officer positions, seven (7) permanent, full-time Natural Resource Specialist 2 positions, seven (7) seasonal full-time Natural Resource Specialist 2 positions, thirty-four (34) seasonal full-time Wildland Fire Suppression Specialist positions. For a total Other Funds positions authority request of 75 positions and 40.16 FTE.

Revenue source: This package is revenue-neutral and would enable the use of landscape resiliency funding already provided by the Legislature through the Other Funds revenue sources established by HB 3940 (2025). The revenue sources include a tax on oral nicotine products starting in 2026, with one-third of the revenues generated by the tax being deposited into the Landscape Resiliency Fund and 6.7% of the interest earned on the Oregon Rainy Day Fund also being deposited into the Landscape Resiliency Fund. This package would result in a permanent Other Funds limitation increase and a permanent Other Funds positions authority increase for the Forest Resources Division, which would be utilized for expending funds from the Landscape Resiliency Fund.

	Agency Request Budget	Governor's Budget	Legislatively Adopted Budget
General Fund	$0		
Other Funds	$21,000,000		
Federal Funds	$0		
All Funds	**$21,000,000**		
Position/FTE	**75/40.16**		

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 correlating 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	$680,791		
Other Funds	$276,831		
Federal Funds	($595,546)		
All Funds	**$362,076**		
Position/FTE	**1 / 1.00**		

Detail of Revenue

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
Charges for Services	3400	0410	$1,339,301	$2,193,893	$2,271,398	$3,266,211		
Admin and Service Charges	3400	0415	$3,174	$0	$0	$0		
Rents and Royalties	3400	0510	$30,522	$49,080	$49,080	$49,080		
Interest Income	3400	0605	$482,901	$33,420	$33,420	$33,420		
Sales Income	3400	0705	$10,719,932	$674,862	$674,862	$674,862		
State Forest Land Sales	3400	0730	$2,203,749	$0	$0	$0		
Donations	3400	0905	$0	$0	$0	$0		
Loan Repayment	3400	0925	$99,240	$0	$0	$0		
Other Revenues	3400	0975	$27,010	$10,589,914	$10,600,742	$22,091,722		
Federal Funds	6400	0995	$52,308,837	$59,883,239	$60,511,179	$56,102,829		
Transfer In-Other Funds	3400	1010	$584,805	$660,729	$666,754	$38,859		
Transfer In-General Fund	3400	1060	$15,700,000	$9,000,000	$9,000,000	$0		
Tsfr From Revenue, Dept of	3400	1150	$15,030,782	$26,864,965	$26,864,965	$23,415,868		
Tsfr from Fish & Wildlife	3400	1635	$769,627	$0	$0	$0		
Transfer In from OWEB	3400	1691	$3,250,000	$0	$0	$0		
Transfer Out-Other Funds	3400	2010	($4,943,667)	($8,069,784)	($8,093,667)	($10,816,665)		