



2027-29 Agency Request Budget: Proposed Policy Option Packages

About Policy Option Packages

Policy option packages, or POPs, are proposals to change the level of service or funding sources for activities authorized by the Legislature, or to propose new program activities not currently authorized. Following proposal as part of an organization's agency request budget (ARB), POPs are reviewed and considered for inclusion in the Governor's Budget and, ultimately, the budget enacted by the Legislature.

The Department of Administrative Services (DAS) Chief Financial Office (CFO) instructions for the 2027-29 agency request budget development process restrict POPs to those that are revenue neutral or have an approved exception. ODF's POPs meeting those criteria are described below.

ODF's Proposed Policy Option Packages for the 2027-29 Biennium

Centralized Administrative Costs General Fund Allocation Request

House Bill 3940 (2025) made "centralized administrative costs" ineligible to be assessed as part of forest protection assessment rates on public and private forestland owners. These costs provide support services for statewide fire protection operations, including agency executive leadership, Fire Protection Division management, area leadership, financial and budget management, procurement, human resources, information technology, public information and safety—all of which are essential to delivering effective and coordinated fire protection. The department now faces an ongoing GF shortage to fund these services.

The Legislature anticipated this challenge during the 2025 session and provided \$7.5 million in GF in HB 5006 as a one-time allocation to bridge the gap until the February 2026 session. An additional one-time GF allotment was subsequently provided in the 2026 short session to make the department whole for the remainder of the biennium until the department could request the GF allocation as part of its 2027-29 agency request budget.

Severity Program Base Funding and Inflationary Adjustments for Aviation Operations

The ODF Severity Program currently operates under a fixed \$24 million biennial budget via a special purpose appropriation (SPA) that supports both aviation and ground severity resources. Severity assets are strategically moved across the state based on fire danger and provides for immediate short-term additional capacity when conditions demand it. The department is required to request these funds each biennium.

Contract costs for wildfire aviation resources have increased significantly in recent years, but budgeted appropriations for these resources have not increased enough to keep pace. This package maintains the biennial base funding of \$24 million but also includes a one-time inflationary adjustment of \$4.8 million to better align with current wildfire aviation market conditions, for a total SPA of \$28.8 million.



Enabling the Use of Landscape Resiliency Funds (*Revenue Neutral*)

HB 3940 (2025) established two ongoing sources of revenue for deposit in the Landscape Resiliency Fund to fund projects to increase resiliency to wildfire and other climate change impacts. These investments will stabilize funding for landscape resiliency efforts; however, ongoing Other Funds limitation was not provided to the Department for the expenditure of these funds.

This package proposes a permanent increase in Other Funds limitation sufficient to expend revenue from the Landscape Resiliency Fund as it's deposited. It also proposes Other Funds position authority needed to enable on-the-ground work as projects are identified and extend the work season for and retain ODF firefighters where projects exist. This proposal is revenue-neutral and is consistent with Executive Order 25-26 which 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.

Large Wildfire Fund (LWFF)

Wildfire suppression costs in Oregon are highly volatile and increasingly exceed available base resources. Without sufficient funding in the LWFF, the agency must rely on unpredictable emergency funding, delayed reimbursements or internal reallocations that create financial instability and operational risk. Providing a GF investment into the LWFF ensures adequate capacity to pay large wildfire costs, reduces reliance on emergency funding mechanisms, and stabilizes statewide wildfire response funding.

Federal Forest Restoration Program Capacity Realignment (*Revenue Neutral*)

The USDA Forest Service is increasing the scope and scale of their land management, including greater use of Good Neighbor Authority (GNA). The current staffing structure of ODF's Federal Forest Restoration (FFR) Program is not well suited to the increasing scale and complexity of the upcoming work, including an increase in contract administration needs for GNA timber sales and service agreements. This package reduces the number of Forest Management Technician positions in the program and increases the number of Natural Resource Specialist 1 & 2 positions, which are the appropriate classification for contract administration work that's increasingly required of the program.

Severity Position Authority (*Revenue Neutral*)

As the Severity Program expanded to support increased aviation resources, position authority for aircraft management and support functions did not keep pace. Critical Severity Program aircraft management roles are currently funded by severity special purpose appropriation funds but operating without formal authorization. The lack of position authority for these important fire season roles forces the department to rely on unbudgeted positions to get this work accomplished. Establishing formal position authority will ensure consistent operational oversight, improve financial accountability, and eliminate reliance on temporary or unauthorized staffing approaches.

Transportation Specialist FTE Position Transfer to ODOT (*Revenue Neutral*)

This package transfers transportation maintenance specialist position authority to the Oregon Department of Transportation. These positions are utilized by ODOT for winter work as part of the Fire & Ice Program, hired year-to-year at their discretion. This transfer reduces human resources and field office workload for ODF and allows ODOT to use these positions as needed to fulfill their winter workload needs. ODF and ODOT will maintain our Fire & Ice Agreement, and these positions are designated to provide winter work opportunities for fire season employees, as ODOT funding allows.



Central Services Budget Neutral POP (*Revenue Neutral*)

This package resolves long-pending reclassification—initiated in 2023—to better align with other state agencies of similar complexity and structure. These reclassifications have DAS Chief Human Resources Office approvals nearing expiration.

Revenue-Neutral Technical Adjustments (*Revenue Neutral*)

This package proposes several actions to better align the biennial budget with execution and is revenue neutral. This proposal is consistent with Executive Order 25-26 and the Vision for Oregon's Forests—the shared strategic plan for the department and the Board of Forestry—which commits to working within state budgeting and policy processes to promote and implement the vision, including the priority of organizational excellence. This package is a tangible step forward in improving budget alignment and achieving efficiencies in business processes.

Actions in this proposal include fund shifts to correct the funding of positions that were previously transferred, the modification of the funding mix of positions to more accurately reflect the work being done and correlating funding sources; the abolishment of a seasonal, part-time position that is not utilized; the movement of a position and funding within the agency to align with implementation and organizational structure; and the financial reclass to correct a position that was mistakenly reduced in a prior biennium.

MMA Hangar Phase 2 (*Capital Bonding*)

This package would support program efficiencies by providing adequate permanent hangar facilities for ODF's multi-mission aircraft. Current estimates for all hangar options including construction, refurbishment, and purchase, have come in significantly above the authorized bond amount. This additional funding is necessary to pursue a permanent facility solution; without it, the agency will be limited to leasing hangar space, which does not provide a cost-effective or operationally sustainable long-term outcome for the program.

Senate Bill 1067 Deferred Maintenance (*Capital Bonding*)

SB1067 deferred maintenance funding is essential to remediating decades of deferred maintenance and improving the safety and function of the agency's existing facilities. The Facilities Capital Management Program supports ODF's missions through an integrated facilities management plan that both protects the health and safety of the public and personnel as well as protecting and preserving the department's capital investments and reducing long-term costs. The objective of the Facilities Maintenance and Management Program is to ensure that sufficient funds are available for the department's routine maintenance program and the reduction of deferred maintenance through prioritized projects. This POP also provides additional FTE for continued assessment, analysis and oversight of necessary projects, as well as performing the work required.

