

Agenda Item No.:	11
Work Plan:	State Forests Work Plan
Topic:	Evaluating opportunities for improving economic performance and conservation outcomes on Board forestlands
Presentation Title:	Alternative Forest Management Plan update
Date of Presentation:	January 6th, 2016
Contact Information:	Liz Dent, State Forests Division Chief (503) 945-7351 <a href="mailto:Liz.F.DENT@oregon.gov">Liz.F.DENT@oregon.gov</a> Brian Pew, State Forests Deputy Division Chief (503) 945-7213 <a href="mailto:Brian.PEW@oregon.gov">Brian.PEW@oregon.gov</a> Josh Barnard, Project Leader (503) 945-7359 <a href="mailto:Josh.W.BARNARD@oregon.gov">Josh.W.BARNARD@oregon.gov</a>

**CONTEXT**

The purpose of this staff report is to update the Board of Forestry on the work of their Subcommittee on Alternatives to the Northwest State Forests Management Plan (FMP) in which the State Forests Division has been directed to explore changes to the FMP to achieve two goals: achieve financial viability and increase conservation outcomes. They established a subcommittee to work with the division during the FMP revision process. Initial direction was to explore the use of a land allocation approach in which 70% of the State Forests northwest landbase is primarily managed for production and 30% is primarily managed for conservation. This is referred to as the *70/30 approach*.

The division presented draft model results for a *70/30 approach* to the subcommittee at their August 12<sup>th</sup> meeting and received direction to further revise the land allocation model. The outcomes from the revised land allocation approach were reviewed at the October 19, 2015 Subcommittee meeting.

Draft results indicated that more work is needed to be done on a *70/30 approach*. The subcommittee and the Board of Forestry directed the department to continue this work. In addition, the department was directed to (1) design and model a land allocation approach with a “third zone,” (2) model the current FMP and (3) model Forest Practices Act (FPA) strategies as benchmarks for comparison to the zoned approaches. This agenda item will provide a brief update on progress to establish a timeline to accomplish this work, as well as potential contingency plans due to the extension of the timeline.

## BACKGROUND

As part of considering a land allocation approach, the subcommittee and the department have engaged in an active exploration with county commissioners and stakeholders on framing up and modeling a *70/30 land allocation approach* for managing State Forests. At the October 19<sup>th</sup>, 2015 subcommittee meeting, the division provided draft maps depicting potential production- and conservation-emphasis areas. The maps estimate current stand age and stand age in 100 years within each emphasis area. The division also explored ways to measure and analyze conservation outcomes and conducted a coarse evaluation of riparian buffers and retention of green trees, snags, and downed wood in harvest units. Modeled volume and revenue were reported (predicted for 100 years) as well as stand age and volume harvested within the production- and conservation-emphasis areas.

The draft results suggest that, with current assumptions and data, the *70/30 land allocation approach* as currently modeled meets financial goals in the short-term but would not be financially viable over the long-term, and would not increase conservation outcomes. Based on this information the subcommittee directed the department to continue work on the *70/30 land allocation approach*, design and model a land allocation approach with a third zone, and model the current FMP and FPA strategies as benchmarks for comparison to the zoned approaches. The division is continuing to work with the stakeholder-supported Technical Expert Review Group (TERG) to make improvements to current assumptions and data.

As a result of this broader scope of work – if the Board elected to pursue a land allocation approach - it is unlikely that a new FMP will be in place in time to prevent the Forest Development Fund (FDF) account from approaching a zero balance in the year 2020. To mitigate this, contingency planning is also currently being explored.

This agenda item will provide a brief update on the timeline to accomplish this work requested by the subcommittee and the contingency planning to attempt to slow the rate of decline of the FDF account.

## NEXT STEPS

1. Continue working with the TERG to further refine and improve model input data and assumptions.
  - a. Continue work on growth and yield tables.
  - b. Continue work on inventory.

- c. Continue work on calibrations in model data (e.g., genetic gain, individual tree volume, basal area growth multipliers).
2. Continue working towards revising the FMP to achieve financial viability and increase conservation outcomes.
  - a. Continue to work on the *70/30 approach* to explore issues with flow and volume at smaller scales.
  - b. Design and model a 3-zone approach to address conservation goals.
  - c. Model current FMP to provide a benchmark comparison to the zoned approaches.
  - d. Model FPA strategies to provide a benchmark comparison to the zoned approaches.
3. Explore potential contingency plans and implement as indicated

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1. Continue working with the TERG to further refine and improve model input data and assumptions.
  - a. Continue work on growth and yield tables.
  - b. Continue work on inventory.

- c. Continue work on calibrations in model data (e.g., genetic gain, individual tree volume, basal area growth multipliers).
2. Continue working towards revising the FMP to achieve financial viability and increase conservation outcomes.
  - a. Continue to work on the *70/30 approach* to explore issues with flow and volume at smaller scales.
  - b. Design and model a 3-zone approach to address conservation goals.
  - c. Model current FMP to provide a benchmark comparison to the zoned approaches.
  - d. Model FPA strategies to provide a benchmark comparison to the zoned approaches.
3. Explore potential contingency plans and implement as indicated

### **RECOMMENDATION**

This information is provided as a Board update. No action is necessary.

Agenda Item No.:	11
Work Plan:	State Forests Work Plan
Topic:	Evaluating opportunities for improving economic performance and conservation outcomes on Board forestlands
Presentation Title:	Alternative Forest Management Plan update
Date of Presentation:	January 6th, 2016
Contact Information:	Liz Dent, State Forests Division Chief (503) 945-7351 <a href="mailto:Liz.F.DENT@oregon.gov">Liz.F.DENT@oregon.gov</a> Brian Pew, State Forests Deputy Division Chief (503) 945-7213 <a href="mailto:Brian.PEW@oregon.gov">Brian.PEW@oregon.gov</a> Josh Barnard, Project Leader (503) 945-7359 <a href="mailto:Josh.W.BARNARD@oregon.gov">Josh.W.BARNARD@oregon.gov</a>

**CONTEXT**

The purpose of this staff report is to update the Board of Forestry on the work of their Subcommittee on Alternatives to the Northwest State Forests Management Plan (FMP) in which the State Forests Division has been directed to explore changes to the FMP to achieve two goals: achieve financial viability and increase conservation outcomes. They established a subcommittee to work with the division during the FMP revision process. Initial direction was to explore the use of a land allocation approach in which 70% of the State Forests northwest landbase is primarily managed for production and 30% is primarily managed for conservation. This is referred to as the *70/30 approach*.

The division presented draft model results for a *70/30 approach* to the subcommittee at their August 12<sup>th</sup> meeting and received direction to further revise the land allocation model. The outcomes from the revised land allocation approach were reviewed at the October 19, 2015 Subcommittee meeting.

Draft results indicated that more work is needed to be done on a *70/30 approach*. The subcommittee and the Board of Forestry directed the department to continue this work. In addition, the department was directed to (1) design and model a land allocation approach with a “third zone,” (2) model the current FMP and (3) model Forest Practices Act (FPA) strategies as benchmarks for comparison to the zoned approaches. This agenda item will provide a brief update on progress to establish a timeline to accomplish this work, as well as potential contingency plans due to the extension of the timeline.

## BACKGROUND

As part of considering a land allocation approach, the subcommittee and the department have engaged in an active exploration with county commissioners and stakeholders on framing up and modeling a *70/30 land allocation approach* for managing State Forests. At the October 19<sup>th</sup>, 2015 subcommittee meeting, the division provided draft maps depicting potential production- and conservation-emphasis areas. The maps estimate current stand age and stand age in 100 years within each emphasis area. The division also explored ways to measure and analyze conservation outcomes and conducted a coarse evaluation of riparian buffers and retention of green trees, snags, and downed wood in harvest units. Modeled volume and revenue were reported (predicted for 100 years) as well as stand age and volume harvested within the production- and conservation-emphasis areas.

The draft results suggest that, with current assumptions and data, the *70/30 land allocation approach* as currently modeled meets financial goals in the short-term but would not be financially viable over the long-term, and would not increase conservation outcomes. Based on this information the subcommittee directed the department to continue work on the *70/30 land allocation approach*, design and model a land allocation approach with a third zone, and model the current FMP and FPA strategies as benchmarks for comparison to the zoned approaches. The division is continuing to work with the stakeholder-supported Technical Expert Review Group (TERG) to make improvements to current assumptions and data.

As a result of this broader scope of work – if the Board elected to pursue a land allocation approach - it is unlikely that a new FMP will be in place in time to prevent the Forest Development Fund (FDF) account from approaching a zero balance in the year 2020. To mitigate this, contingency planning is also currently being explored.

This agenda item will provide a brief update on the timeline to accomplish this work requested by the subcommittee and the contingency planning to attempt to slow the rate of decline of the FDF account.

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