

Agenda Item No.: 5
Work Plan: Administrative Work Plan
Topic: Ongoing Financial Status Check
Presentation Title: Agency Financial Dashboard and Budget Update
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SUMMARY

The purpose of this agenda item is to provide an update on the Department of Forestry’s current fiscal status.

CONTEXT

The Board has requested regular updates on the Department’s financial status. This report updates the information provided at the January 2018 meeting. Additionally, this reports informs the Board on the status of the 2019-21 biennial budget cycle.

BACKGROUND

The Department of Forestry’s 2017-19 Legislatively Adopted Budget consists of \$445.1 million total funds and 867.30 full-time equivalent positions. Seventy-six (76) percent of the budget is funded with Other Fund revenues, including the state’s share of timber sale proceeds, a variety of landowner assessments, and forest products harvest tax. Fifteen (15) percent of the budget is funded with state General Fund dollars, eight (8) percent with federal revenues, and one percent with Lottery Funds.

Within the agency, the Fire Protection program has the largest budget with \$134.7 million total funds (30 percent of total budget) and 394.66 full-time equivalent positions. Fifty-three (53) percent of the budget is funded with revenues from a variety of landowner assessments, 35 percent is funded with state General Fund dollars, and 12 percent with federal revenues.

The State Forests program has the second largest budget with \$92.9 million total funds (21 percent of total budget) and 224.77 full-time equivalent positions. Ninety-eight (98) percent of the budget is funded with dollars from the state’s share of the revenue that is produced from timber sales, and the remaining two percent with other revenues.

The Private Forests program budget is the third-largest, with \$40.6 million total funds (9 percent of total budget) and 110.32 full-time equivalent positions. Thirty-three (33) percent of the budget is funded with federal revenues, 41 percent with state General Fund dollars, and twenty-six (26) percent with other revenues mostly from forest products harvest tax.

The Agency Administration program has a larger budget this biennium of \$139.8 million total funds (31 percent of total budget); however, 100 million of that total is a one-time allocation to facilitate acquisition of the Elliot State Forest. The program maintains 107.82 full-time equivalent positions. With inclusion of the one-time funding, 86 percent of this biennium's budget is funded with other fund revenues mainly from intra-fund transfers from the operating programs, seven percent with federal revenues, and seven percent with state General Fund dollars.

The remaining \$37.1 million total funds budget and 29.73 full-time equivalent positions is for the equipment pool, facilities maintenance, capital improvements, and debt service.

Department staff continuously monitor the agency's revenues and expenditures for all programs. Staff also generate periodic projections for several major revenue sources. These projections include timber sale revenue (twice yearly), and forest products harvest tax revenue (quarterly). Agency expenditures are adjusted, if required, based on the revenue projections.

The attachment provides a financial dashboard with gauges that will update the Board on the Department's current fiscal situation.

RECOMMENDATION

This agenda item is for information only.

ATTACHMENT

1. 2017-19 Financial Dashboard (*available one week before the Board meeting*).