

Agenda Item No.:	B
Work Plan:	Administrative
Topic:	Board Governance Performance Self-Evaluation
Presentation Title:	2023 Board Governance Performance Self-Evaluation
Date of Presentation:	June 7, 2023
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SUMMARY

The Board of Forestry has completed its annual self-evaluation for 2023 using its adopted governance performance measure.

CONTEXT

The governance performance measure for state boards and commissions, “percent of total best practices met by the board” was enacted by the Oregon State Legislature and adopted by the Board in 2006. The measure includes fifteen standard best practices criteria tailored to meet the Board’s specific needs and interests. The Board added an additional criterion relating to public involvement and communications, and open-ended summary questions to the evaluation. The measure is included in the agency’s annual Key Performance Measures and has been conducted every year since 2008.

In the spring of 2023, board members completed individual self-evaluations utilizing the Board Governance Performance Measure Best Management Practices Self-Evaluation Criteria. A summary of the 2023 self-evaluation is attached. The Board is asked to consider the alternatives in their review of the evaluation and agree upon a rating for submission in our agency’s *Annual Performance Progress Report*. Further discussion on the Board’s annual performance review is also planned as an annual topic at the October planning retreat.

ANALYSIS

All seven board members serving in the 2022 calendar period completed the evaluation. Results of the evaluation suggest that current board members see the board functioning in a satisfactory manner across the majority of best practices in governance; however, slight disagreement in a few criterion ratings affected the Board’s ability to meet their performance measure target of 100% for 2023. The Board found common agreement in reaching 92% of their best practices as compared to the prior year’s evaluation of 97%.

The Board found common agreement in meeting best practices of governance in areas of:

- defined performance expectations for the State Forester and recent evaluation,
- review of the agency’s annual key performance measures, as well as key financial information and audit findings as they are released,
- agency adherence to accounting rules and financial controls,
- board members responsibly serving as public representatives, coordinating with other public agencies and boards where statutory authority overlaps, attending appropriate training and technical information sessions, utilizing outreach and engagement of stakeholders and special interest committees, and annually evaluating their adherence to best practices in governance.

Areas for further improvement include:

- completion of the Board's strategic plan in the *Forestry Program for Oregon* with current agency mission, high-level goals, and defined strategic initiatives and priorities,
- increasing communication with the Board surrounding complex or significant operational-level decisions and communication strategies associated with those efforts,
- commitment of the Board to attend the rural community board meetings and field tours,
- increasing coordination with partnering agencies, continuing to hear from a broad range of diverse perspectives and information sources, reliance, and use of the best available science,
- enhancing the detail of financial information provided, and the interrelated financial impact associated with key policy decisions before the Board; including, overall financial risk to the agency and challenges within the biennial budgeting process, and
- securing stable funding for management of state forests and the counties supported by state lands, and the highly variable cost of wildfire funding.

Overall, the Board had positive reflections on their effectiveness as a board with recognition for the significant volume of complex issues requiring their attention and continuing room for improvement.

ALTERNATIVES

There are two alternatives to be considered for the Board's completion of this year's self-evaluation process:

- 1) Approve the self-evaluation summary report as-is, agreeing to a performance rating of 92% in meeting best practices criteria, with further discussions to be held at the annual planning retreat.
- 2) Remove this item from the consent agenda and discuss the areas of concern prior to approving a performance rating. Results of this discussion could lead to the same approval and agreeing to the 92% rating as-is or could lead to changes in their agreed-upon collective rating. Further discussion on the criteria will be held at the annual planning retreat.

RECOMMENDATION

The Department recommends the Board proceed with the first alternative and approve the summary evaluation report as the conclusion of the 2023 self-evaluation process.

NEXT STEPS

The Board will further discuss this year's collective self-evaluation at the annual planning retreat in October 2023. Results of the collective self-evaluation will be included in the Department's *2023 Annual Performance Progress Report* submitted to the Department of Administrative Services and Legislative Fiscal Office.

ATTACHMENT

- 1) 2023 Summary of Best Practices Performance Evaluation (*Oregon Board of Forestry*)

**Oregon Board of Forestry
Governance Performance Measure
2023 Summary of Best Practices Performance Evaluations**

Performance Measure: Percent of total best practices met by the Board.

Target: 100%


Period: Annual






ODF Key Performance Measure: #2

Board Adopted: September 6, 2006




Summary of Individual Board Member Evaluations – May 19, 2023

Key: Within Each Criteria:

#’s
 = Board member tally count
 = range of ratings

Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<p>1. Executive Director’s performance expectations are current. <i>The Board understands this to mean that the State Forester’s Position Description is current.</i></p> <p><u>Comments:</u> none</p>	1 	6 	0	0
<p>2. Executive Director’s performance has been evaluated in the last year. <i>The Board understands this to mean that the State Forester’s Position Description is current and that the annual performance appraisal has been completed.</i></p> <p><u>Comments:</u> none</p>	1 	6 	0	0
<p>3. The agency’s mission and high-level goals are current and applicable. <i>The Board understands this to mean that the Board’s <u>Forestry Program for Oregon and Oregon Forest Practices Act/Rules</u> are current.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • The FPFO revision should address this. • Agency’s mission and high level goals will be updated with the new FPFO. • When FPFO updates is complete, these goals will be current. • Still working on the FPFO right now. Making great progress, but the current document is no longer current. 	0	4 	3	0



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Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<p>4. The Board reviews the <u>Annual Performance Progress Report</u>. <i>The Board understands this to mean that the Board reviews the report annually as a meeting agenda item.</i></p> <p><u>Comments:</u> none</p>	1	6	0	0
				
<p>5. The Board is appropriately involved in review of agency's key communications. <i>The Board understands this to mean agency and Board communications at a policy level, versus a day-to-day operating level.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • There have been large decisions, with significant financial impact, that the Board of Forestry has not voted on this past year. While I understand there is a deep divide on the HCP that the board has disagreed on, I don't agree with the State Forester decision to move the harvest levels down so significantly, thus creating financial pressure on the impacted counties in addition to the Dept. of Forestry. The Board also did not see, review or agree on the recent Coho lawsuit settlement language/agreement. • Board is appropriately informed of key efforts but not necessarily in the communications strategy associated with those efforts. 	1	5	1	0
				
<p>6. The Board is appropriately involved in policy-making activities. <i>The Board understands this to mean those policy activities that particularly have a statewide perspective, including holding Board meetings at different geographic locations around the state.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • Yes, part of the board understands the essential nature of getting to rural communities; holding community meetings; understanding the tremendous challenges and differences in various growing regions of our state; and appreciating the Department of Forestry field staff that is working with local communities. This is hard work for our field staff. Growing trees in Astoria could not be more different than growing trees in Wallowa. The whole board is not participating in these far reaching rural community board meetings, tours and efforts. • Board is meeting around the state. This is critical to understand different areas issues and perspective. FPFO work in the retreat was helpful understanding goals related to statewide policy. 	3	3	1	0
				





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Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<p>7. The agency’s policy option packages are aligned with their mission and goals. <i>The Board understands this to mean the packages included in the biennial budget process as part of the Agency Request Budget.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • There should be a more focused effort on securing funds to support management of state forests and the counties in which they occur. • The State Forestry Department is a high financial risk agency, but the undisciplined nature of the agency creates MORE financial risk for the State of Oregon. We have a three year fire average of \$111 million; we owe the E-Board \$50 million; and the State Forester just cut revenue to State Lands by about \$30 million +/- thru a reduced harvest decision. These three items are about \$191 million of an annual agency budget that is about \$280 million. These three items are about 70% of our annual budget. We cannot predict what annual large fire will be, but we do have control of these other two items and decisions. • Communication of the prioritization process associated with POPs could be improved. 	1	5	1	0
<p>8. The Board reviews all proposed budgets. <i>The Board understands this to mean the Department of Forestry’s biennial budget at the Agency Request Budget level.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • The Board did not review the recent budget impact of the State Foresters HCP decision, which will have a deep financial impact on the State Lands budget. These State Lands dollars are the MOST important dollars in funding large fire costs. While the staff hopes for a ballot measure or other large fire cost funding, the reality is we have self financed these large fires. The State is holding budgets, and likely projecting for a downturn. Our staff is playing the lottery without board approval. 	1	5	1	0
<p>9. The Board periodically reviews key financial information and audit findings. <i>The Board understands this to mean significant financial issues and as audits are released.</i></p> <p><u>Comments:</u> none</p>	2	5	0	0

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Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<p>10. The Board is appropriately accounting for resources. <i>The Board understands this to mean critical issues relating to human, financial, material and facilities resources by providing oversight in these areas. This means that the Board receives briefings on such issues as succession management, vacancies, the budget, and financial effects of the fire program.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • More information on succession management would be helpful. • Many of these topics are included in consent agenda items. May be helpful to track some keymetrics in dashboard style (current vacancies, retirement projections etc.) 	0	6 	1	0
<p>11. The agency adheres to accounting rules and other relevant financial controls. <i>The Board understands this to mean the receipt of the annual statewide audit report from Secretary of State which highlights any variances in accounting rules or significant control weaknesses.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • Yes. Please understand there is a significant difference between the MGO efforts and the large, significant policy decisions that so impact our cash flow and revenues. MGO helps improve and clean up our basic systems and checks and balances. MGO is essential to this agency. The policy decisions I am referencing to are large financial impacts to our revenue streams. 	2 	5	0	0

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Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<p>12. Board members act in accordance with their roles as public representatives. <i>The Board understands this to mean that they follow public meeting rules, the standard of conduct for Board members, and the public input process. Members received training and information from the Governor’s Office upon appointment.</i></p> <p><u>Comments:</u> none</p>	2	5 	0	0
<p>13. The Board coordinates with others where responsibilities and interests overlap. <i>The Board understands this to mean other public agencies and boards with statutory authority connections or overlaps, e.g. the Forest Trust Land Counties, the Oregon Environmental Quality Commission/Department of Environmental Quality; the Oregon Fish and Wildlife Commission/Department of Fish and Wildlife; the State Land Board; local fire districts; the United States Forest Service; the Bureau of Land Management..</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • Coordinating does occur, on issue by issue basis. But perhaps it might be worthwhile to coordinate across key partners annually? • We could do a better job coordinating with other public boards and commissions and one thought is to have an informal open meeting among all board and commission chairs once or twice a year to share perspectives. Coordination with the USFS, BLM, and the USFWS could be improved. 	0	7 	0	0
<p>14. The Board members identify and attend appropriate training sessions. <i>The Board understands this to mean the workshops, symposia, and field tours that accompany some Board meetings, and that the Board receives adequate technical information.</i></p> <p><u>Comments:</u> n/a</p>	1	6 	0	0
<p>15. The Board reviews its management practices to ensure best practices are utilized. <i>The Board understands this to mean carrying out this self-evaluation on an annual basis, conducting the annual Board work plan status check, and by conducting the periodic scan of issues on a biennial basis.</i></p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • In progress, I see working on strategic framework part of addressing best practices and emerging issues. 	1	6 	0	0

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Oregon Board of Forestry Best Practices Criteria	Strongly Agree	Agree	Disagree	Strongly Disagree
<i>Listed below is an additional best practice for the Board of Forestry; not included in calculating the percentage adherence to best practices.</i>				
<p>16. The Board values public input and transparency in conducting its work through outreach to and engagement of stakeholders and by using its work plan communication tools. The Board also values input and communications with its standing advisory committees, special ad hoc committees and panels and external committees with board interests.</p> <p><u>Comments:</u></p> <ul style="list-style-type: none"> • Also a continuous process, with the initiation of surveys. • Appreciate that this topic will be explored during retreat including whether any revised or new advisory committees could be helpful. 	2 ←	5 →	0	0
Total Number (Criteria 1-15)	17	80	8	0
Percentage of Total in Each Evaluation Category (Criteria 1-15)	16.19%	76.19%	7.62%	0%
Percentage of Total in “Agree” and “Disagree” (Criteria 1-15)	92%		8%	

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Summary Questions for Consideration:

1. How is the Board doing?

- OK, but there needs to be a greater effort to avoid any political agendas on the part of someboard members.
- Challenged!
- The Board is faced with several difficult issues. Outreach to the public has been good this year and we have received a high volume of input. Navigating this input, hearing what is said, and using this information will be critical for our success dealing with these difficult issues.
- Okay
- Pretty good
- Overall, the Board is doing a satisfactory job. Progress is being made on large policy initiatives, improving education and outreach practices, supporting best practices to improve the financial standing of the agency and beginning a re-visioning process through FPFO discussions. Additionally, the Board members are engaging together in a collegial and thoughtful manner. There is continuing room for improvement however.

2. What factors are affecting the Board's results?

- Political divisiveness. Also some roles of the Board being displaced by decisions from the Governor's office.
- The agency is bipolar. The field staff is working with local communities; forest owners; constituencies; etc.....they follow the Land Grant model of understanding best practices on the ground. The central Salem staff seems very "top down" -- this is how we want you to do it. This agency difference is very apparent and needs rectified.
- High volume of difficult issues.
- State HCP controversy.
- Board results are affected at times by condensed timeframes associated with certain decisions, legislative actions, budget decisions and sufficiency of information received in advance of decisions.

3. What needs to be done to improve future performance?

- Agreement among board members that we: 1. Will use the best available science from the refereed literature on which to base policy decisions 2. Represent the best interest of all Oregonians including those who we do not hear from during open meetings.
- We have great projects in these rural communities that have tremendous community support and collaborative buy-in. We have idealistic board members that don't bother to travel, tour and listen to these rural community collaboratives & members. This is a deep divide between the academic, elite and those rural residents in every corner of Oregon that depend on timber revenue; success and strive for healthy forest policy.
- FPFO completion and completion of the Board Policy Manual.
- It is helpful to receive information well in advance of Board meetings when possible especially when decisions are on the agenda. Manageable Board agendas. Continued efforts to hear from a diverse range of perspectives and information sources on relevant topics.