

Oregon Department of Forestry
State Forests Strategic Initiatives – 2020-2021

Division/Program: State Forests

Strategic Initiative Summary Matrix

Initiative	Status
Long Term Sustainability for Managing State Forests Evaluate and Adjust Business Model Forest Management Plan Alternatives	Continuing
Business Improvements	Moving into core business
Managing and Protecting Threatened & Endangered Species: Habitat Conservation Plan	Continuing
Tillamook Forest Restoration	Pending

The State Forests division has three initiatives: (1) Long Term Sustainability for Managing State Forests, (2) Protecting Threatened and Endangered Species, and (3) Tillamook State Forest Restoration. The State Forests’ related Board work plan is described below in the context of these initiatives.

Strategic Initiative: Long Term Sustainability for Managing State Forests

Background and Context- State Forests are managed to achieve “Greatest Permanent Value” (GPV) providing economic, social, and environmental benefits over time and across the landscape. Providing this range of public benefits over the long term requires long term financial viability, a sustainable workforce, and a set of management strategies that ensure delivery of benefits associated with GPV. This initiative highlights two components intended to ensure a sustainable management of these public forests.

Purpose / Relevance – The division is exploring mechanisms to improve financial and conservation outcomes. The Board of Forestry has been highly engaged in this project since 2011, with the completion of the “Financial Viability” report. There are three components to be addressed: (1) evaluate a change in the State Forests business model and (2) revise the current NW State Forests Management Plan (FMP) to improve financial viability and conservation outcomes, and (3) implement business improvements. The division has adopted several business improvements so this component has been moved to core business. The remaining two components are described below.

I. Component A: Improved State Forests’ Business Model

Description - The Oregon Department of Forestry (ODF) is fundamentally re-examining the business model under which State Forests are managed, with a goal of improving long-term financial and conservation outcomes within the context of GPV. The division relies on revenue from the sale of timber to support operations and provide revenue to the counties. The division retains 36.25 % of the harvest revenue to fund costs associated with managing these public forests, while 63.75% is distributed to the counties where the harvest took place. This funding model makes the division vulnerable to shifts

in the timber market combined with changes in forest conditions from disturbances such as fire, flood, insect and disease, and wind and ice storms. Managing and restoring forest conditions is a long-term endeavor. These conditions suggest a business model with greater flexibility and a diverse revenue stream will provide greater financial stability over time. This stability would enable the program to deliver more durable financial, social and ecologic benefits.

A large portion of social benefits are provided through recreation, education and interpretation all of which absorbed reductions in the 2009 recession. There is a need to rebuild recreation, education, and interpretation staffing levels to meet growing demands in recreation management on state forest lands, and for the educational and interpretive programs of the Tillamook Forest Center. There is also a need to establish an appropriate balance of revenue sources and program expenditures that minimizes the fluctuation in the staffing and project expenditures required to maintain effective recreation, education and interpretive programs. The State Forests division intends to pursue a public/private partnership funding model for supporting recreation, education and interpretation on state forests, through an expansion of our existing relationship with our supporting non-profit, the Tillamook Forest Heritage Trust (Trust). In addition to its long-standing support for the Tillamook Forest Center, the Trust recently established the State Forests Recreation Fund, and is serving as the non-profit fiscal agent to the Salmonberry Trail Intergovernmental Agency (STIA). The Department and the Trust have provided key leadership to the project to date, and are committed to continuing those efforts in the future.

There are social, environmental, and financial benefits from having a consolidated land base or blocking up small parcels to better achieve objectives. The department only has authority to sell Board of Forestry lands that were acquired after 2009. Having the authority to sell property combined with land exchanges would increase the division's options for improving GPV outcomes.

II. **Component B: Western Oregon State Forests Management Plan**

Description - The NW Forest Management Plan (FMP) was approved by the Board of Forestry in January of 2001 and revised in 2010. The foundation of the FMP is an approach called "structure based management" under which the forest is managed to produce a range of forest conditions across the landscape. Analysis of the forest management plan outputs, at the time of approval, suggested a high level of timber harvest and a corresponding contribution to a diverse array of fish and wildlife habitats across the landscape. The plan was intended to be coupled with a Habitat Conservation Plan (HCP). The expected outcome of the combined HCP and FMP was to provide long-term, durable conservation as well as operational certainty. The state was not able to acquire an HCP. The lack of an HCP combined with costs associated with take avoidance and some challenges with implementing structure based management are impacting State Forests division's long-term financial viability.

In November of 2011, the Board directed the agency to develop alternative management plans that could improve conservation and financial outcomes. ODF is drafting a revised FMP that includes 613,663 acres of Board of Forestry lands west of the Cascade Mountains. The current State Forest Management Plan does not adequately address climate change and its effects, nor does it clearly show the trade-offs between harvest and habitat goals. A revised FMP will address these concerns, provide more flexibility, and provide clear expectations for meeting financial and conservation goals.

BOARD WORK PLAN ITEMS

- *Draft Revised Western Oregon FMP including measurable outcomes, Peer Review, Comparative Analysis*
- *LC: Authority to sell land*
- *Recreation POP?*

STRATEGIC INITIATIVE: THREATENED AND ENDANGERED SPECIES MANAGEMENT – WESTERN OREGON HABITAT CONSERVATION PLAN

Background and Context - Managing and protecting listed species is an important component of meeting mandates for both Board of Forestry and Common School Forest Lands (CSFLs). Some CSFLs are owned by Department of State Lands and managed by ODF. These ODF-managed CSFLs do not include the Elliott State Forest. In the absence of any programmatic agreements (e.g. Habitat Conservation Plan, Candidate Conservation Agreement, Safe Harbor Agreement), the State Forests division employs a “take avoidance” approach to ESA compliance. These approaches require a significant expenditure of funds, result in significant management conflicts, and require ongoing resolution of technical, operational, and policy issues, both internally and with the federal services. The federal services continue to evaluate other species for listing. ODF will track these efforts, and to the extent possible, prepare for any additional listings. As we continue with implementation of these approaches, we continue discussions with the services on the many technical and policy issues inherent in improving these approaches.

Purpose / Relevance –The agency’s current “take avoidance” strategy costs ODF millions of dollars in survey and creates uncertainty for timber harvest levels over the long term. The agency is currently evaluating whether a Habitat Conservation Plan for Board of Forestry lands west of the Cascade Mountains would help the agency better protect these species and their habitat, control costs, and create more certainty for timber harvest.

Description - In 2017, The Board directed the division to evaluate if a Habitat Conservation Plan (HCP) is in the best interest of the state. The work was organized into three phases. Phase 1 involved conducting a business case analysis to determine if an HCP is in the best interest of the state. Second, if the Board determined an HCP is in the best interest of the state, the division would complete Phase 2- the development of an administrative draft of an HCP. Finally, if the Board determined that the draft HCP was beneficial, the division would move into Phase 3 and apply for an incidental take permit for the covered species. The division conducted a business case analysis to compare conservation and financial outcomes associated with an HCP as compared to continued management with take avoidance. The Board determined an HCP is in the best interest of the state and has directed the division to complete an administrative draft of the HCP. For this Western Oregon HCP planning process we are including 613,663 acres of Board of Forestry lands west of the Cascade Mountains. As the policy work and analyses continue, ODF and Department of State Lands are considering how much if any of the 25,826 acres of Common School Forest lands will be included in the final HCP.

BOARD WORK PLAN ITEMS

- *Administrative Draft HCP for West-side State Forests*
- *POP: HCP-related NEPA funding?*

STRATEGIC INITIATIVE: TILLAMOOK STATE FOREST RESTORATION

Background/Context - This initiative focuses on strategies to restore portions of the Tillamook State Forest, currently dominated by Swiss Needle Cast (SNC) and low-value alder stands, to a healthy condition and put the forest on a better path to provide economic, social, and environmental benefits over the long term. The story of the Tillamook State Forest is well documented. The forest was burned in four large catastrophic fires between 1933 and 1951 known as the Tillamook Burn. The lands had no value, many timber owners defaulted on their property taxes, and ownership went to the County. Salvage logging took place on some lands during this time along with felling snags and constructing fire breaks. Road building was done throughout the forest to salvage timber and provide access for future firefighting efforts.

The counties deeded the forest to the Department of Forestry and Oregonians approved bonds to begin what was the largest reforestation effort of its time. Reforestation was done by aerial seeding and hand planting. In 1973 Governor Tom McCall renamed the Tillamook Burn to the Tillamook State Forest (Forest). The Forest encompasses 348,970 acres and supports important habitat for native fish and wildlife, provides recreation opportunities, supports timber-related economies, and provides essential revenues to county governments.

Purpose/Relevance - Today approximately 26% of the Tillamook District is dominated by low-value alder due to the challenges of reforestation following the Tillamook Burn. SNC is affecting 46% of Douglas-fir stands. Aerial surveys, research plots, and stand growth evaluations show a significant loss of growth on SNC-impacted stands. These stand conditions, combined with operational constraints such as steep slopes lead to costly logging and have a significant impact on the ability to generate revenue. Investing in forest restoration now is a good business decision that will have immediate benefits to local communities and establish a healthy and productive forest for future generations.

Description - Given the value of the forest to local communities and the financial implications of harvesting low-value stands, the division is designing a “SNC Adaptive Management Strategy” and developing “Economic Analysis Tools” to guide business decisions that contribute to forest health and improve financial viability for the division.

This Strategic Initiative has the following potential outcomes:

- Benefits to rural communities from the revenue distributed to counties, schools, and community services
- Increased pace and scale of creating resilient forests
- Diverse early forest structure
- Increased forest resiliency | improved carbon sequestration
- Improved forest management practices to address climate change, carbon sequestration, and create resilient, productive forests, improve habitat for native fish and wildlife
- Improved forest conditions, productivity for sustainable forest management, and habitat for native fish and wildlife

SNC Adaptive Management and Strategies

Establish strategies that identify SNC severity and the range of silvicultural techniques to improve forest health and productivity. The silvicultural prescriptions will depend on long term goals, stand conditions, and economic decisions-making. Some examples include:

- Treat SNC and aging alder stands using modified clear cuts while maintaining legacy structure
- Reforestation with SNC-resistant Doug fir, hemlock, and other species that are not susceptible to SNC.
- Road construction and maintenance to access treatment areas
- Monitor success using techniques such as plots to test treatments over time and projects to monitor habitat for fish and wildlife

Economic Analysis Tool

The department is developing economic analysis tools to support silviculture decisions. The tool will identify the relationship between the costs to harvest low value stands relative to the revenue generated to the county and to the division.

Criteria for prioritizing/identifying treatment areas

- Areas in the forest most susceptible to SNC and/or mostly dominated by alder
- Areas with greatest SNC severity
- Watersheds/uplands that are likely to provide the greatest benefit to fish and wildlife.
- Economic analysis support cost-effective silvicultural decisions

BOARD WORK PLAN ITEMS

- *POP: Restoration Funding (?)*

Board WORKPLAN ITEMS

This strategic initiative is still under development. As this initiative comes into focus, the division will structure associated concepts into a Board work plan.