

STAFF REPORT

Agenda Item No.:	5
Topic:	2023 Legislative Session Update
Date of Presentation:	March 8, 2023
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SUMMARY

The Board of Forestry will meet the department's new Legislative Coordinator, Derrick Wheeler. Staff will provide a brief update on the Governor's Recommended Budget and key legislative issues that may impact the department during the 2023 Legislative Session. This is an informational item.

CONTEXT

The department has added a permanent position dedicated to legislative coordination, which will focus on building a new program to track, coordinate, and build strategy around policy issues impacting the department at the state and federal levels. Derrick Wheeler, the new Legislative Coordinator, will provide an overview of the Governor's Recommended Budget (GRB), along with a brief summary of the department's legislative concepts and other policy issues that may impact the department during the 2023 Legislative Session.

Overall, the GRB mostly maintains continuing service levels for the department, with reductions achieved through some fund shifts, elimination of four positions, and reduced funding for the Landscape Restoration and Small Forest Landowner programs authorized by SB 762 in the 2021 Legislative Session. The GRB provides additional investment in the continued development of the Private Forest Accord, funding for fire severity costs, and support for capital improvement projects to rebuild facilities lost to fire.

The Department developed three legislative concepts (LCs) for the 2023 session – two related to managing large fire costs and one that sets harvest tax rates in the 2024 and 2025 calendar years. The large fire funding LCs will not move forward. The harvest tax LC has been introduced as HB 3241.

Other policy topics with a nexus to department business will be summarized during the meeting.

ATTACHMENT

- (1) Oregon Department of Forestry 2023-2025 Governor's Budget Summary

Oregon Department of Forestry

2023-25 Governor's Budget



	2021-23 Legislatively Adopted Budget	2021-23 Legislatively Approved Budget	2023-25 Current Service Level	2023-25 Agency Request Budget	2023-25 Governor's Budget
General Fund	\$167,377,154	\$230,245,653	\$161,851,833	\$226,663,537	\$169,120,330
Lottery Fund	\$2,564,210	\$2,564,210	\$2,557,080	\$2,557,080	\$2,557,080
Other Funds	\$310,849,227	\$397,503,110	\$335,376,852	\$372,310,300	\$347,242,173
Federal Funds	\$41,395,153	\$41,779,100	\$43,838,515	\$48,599,636	\$43,813,031
Total Funds	\$522,185,744	\$672,092,073	\$543,624,280	\$650,130,553	\$562,732,617
Positions	1,335	1,393	1,371	1,434	1,367
Full-Time Equivalent	1,006.07	1,027.03	1,039.21	1,096.77	1,035.21

GB Budget Highlights – Recommended Packages

Forest Resource Division: Private Forests Accord Development – Package 106

Senate Bill 1501 (2022) directs ODF to establish a Small Forestland Owner Investment in Stream Habitat Program (SFISH) and an Adaptive Management Program as part of the continued implementation of the Private Forests Accord. This package provides the necessary General Fund to support these programs, as well as additional investment in services and supplies for positions associated with SB 1501 at the 60/40 General Fund and harvest tax split.

Fiscal Impact: \$13,893,564 General Fund, \$665,709 Other Funds, 0.00 FTE, 0 Positions

Continuation of Funding for Fire Severity Resources and Insurance Costs – Package 110

As in previous biennia, establishes a Special Purpose Appropriation in the Emergency Board Fund to provide critical supplemental firefighting mobile resources—primarily contract air tankers and helicopters—positioned where and when fire danger is the highest.

Fiscal Impact: \$15,232,000 General Fund, 0.00 FTE, 0 Positions

Capital Construction: Klamath Facility Replacement – Package 114

This package proposes Other Funds limitation to enable the department to use insurance proceeds and other revenue sources to rebuild the Klamath facility lost to fire.

Fiscal Impact: \$1,500,000 Other Funds 0.00 FTE, 0 Positions

GB Budget Highlights – Recommended Packages

Capital Construction: Santiam Facility Replacement – Package 115

This package seeks Other Funds limitation to enable the department to use insurance proceeds and other revenue sources to rebuild the Santiam facility lost during the 2020 fire season.

Fiscal Impact: \$2,500,000 Other Funds 0.00 FTE, 0 Positions

GB Budget Highlights – Reductions, Fund Shifts, and Other Actions

The Governor's Budget recommends numerous reductions and fund shifts throughout the department, including:

- Reduction of four Administrative Branch positions.
- Reauthorization of both Toledo Phase II and Capital Improvement and Renewal bonding authority.
- Shift to a 60 percent General Fund and 40 percent Forest Products Harvest Tax split of seven positions established under SB 1501 (Private Forests Accord).
- General Fund reduction to the Landscape Resiliency and the Small Forest Land grant programs.
- A carryforward of \$6 million in unspent General Fund for obligations associated with implementation of the Private Forests Accord.