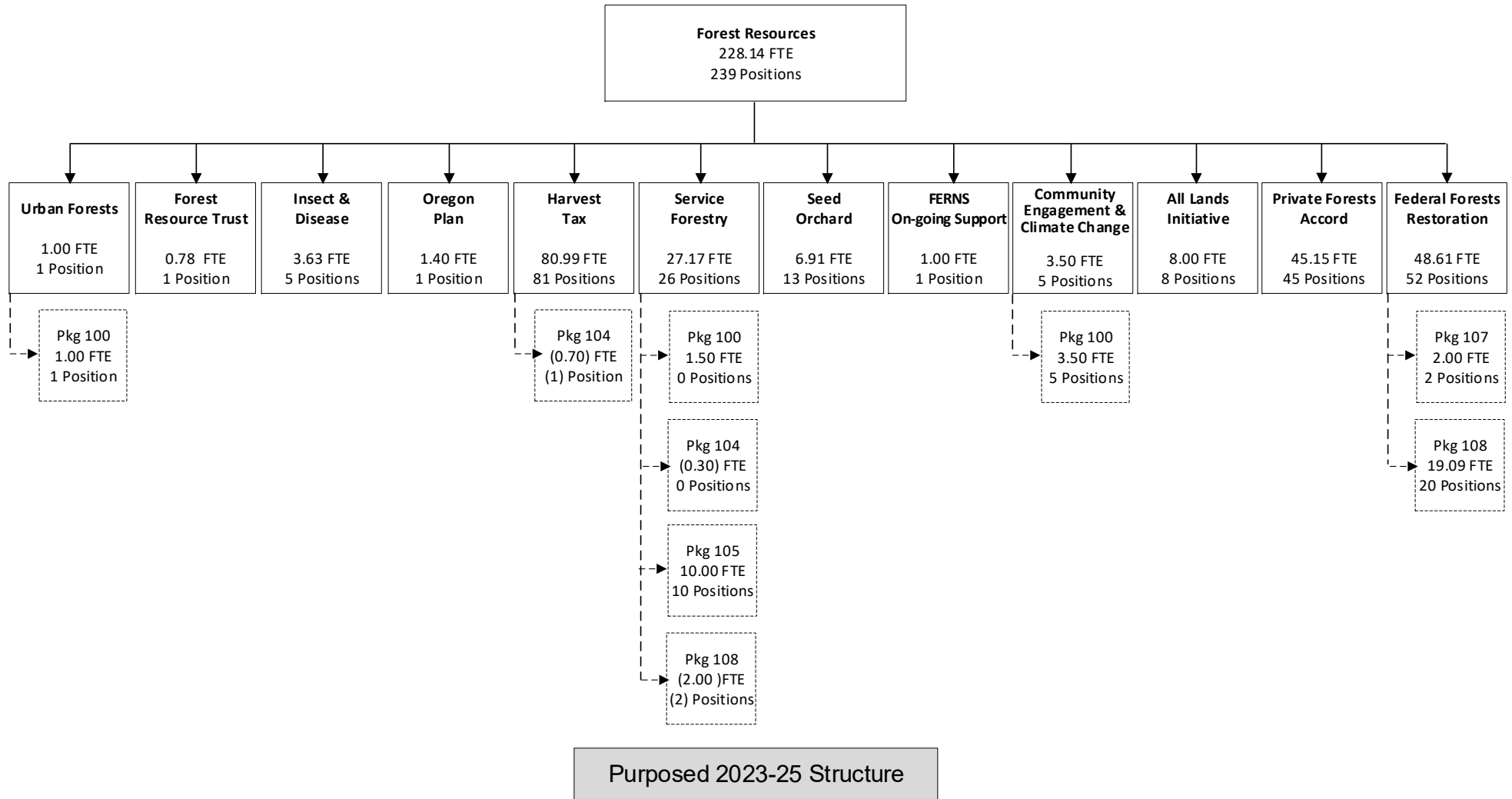
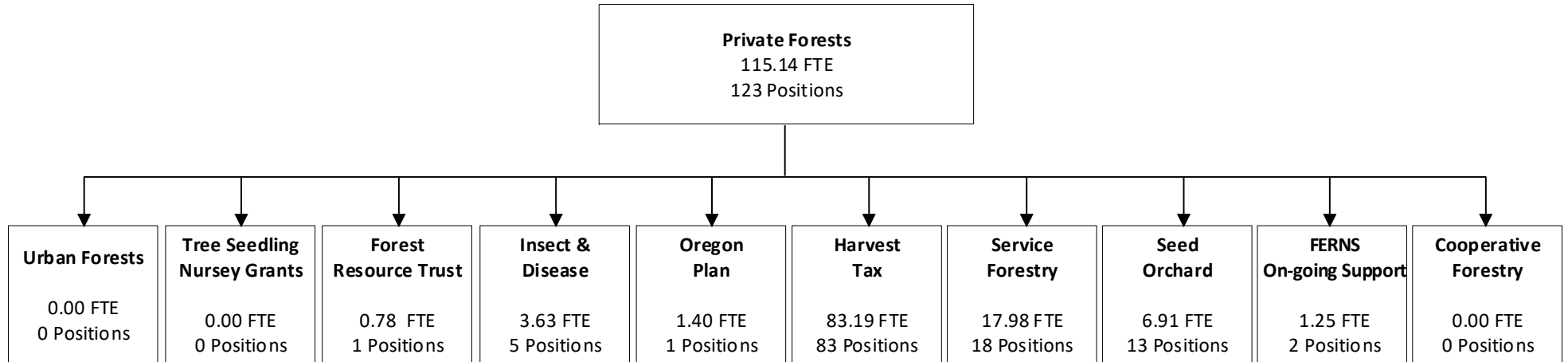


Forest Resources Narrative

Organization Charts



Forest Resources Narrative



Prior 2021-23 Structure

Forest Resources Narrative

Executive Summary

Long-term focus areas impacted by the program

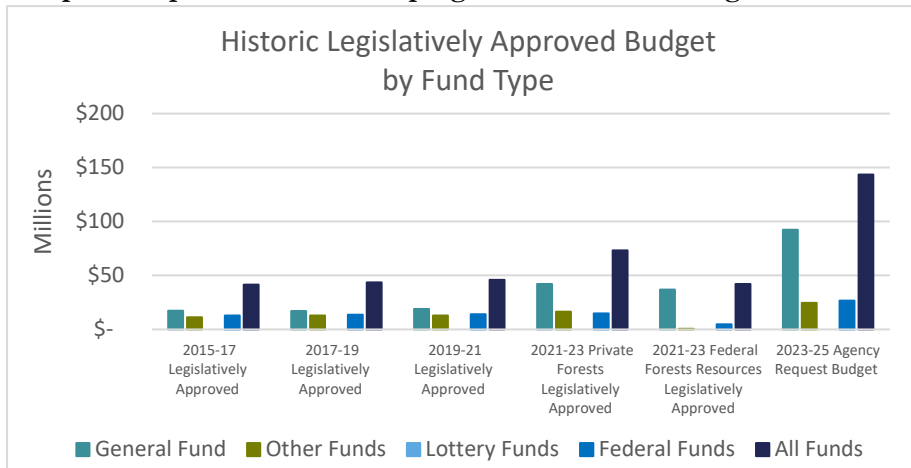
Primary focus area: Responsible environmental stewardship: a) forest health and resilience, b) fire, c) water, d) climate change

Secondary focus area: Social equity: a) rural vs. urban divide, b) recruiting for a diverse work force

Primary program contact

Joshua W. Barnard, Forest Resources Division Chief, 503-945-7482, josh.w.barnrd@odf.oregon.gov

Graphical representation of the program unit's funds budget over time



Division overview

The division keeps Oregon's 10.3 million privately owned forests healthy and productive. That's more than 34% of Oregon's 30 million acres of forests. The division protects and preserves fish and wildlife habitat, soil, air, and water. This provides many long-term environmental, economic, and social benefits.

Oregon has some of the most productive forestlands. Private forests produce about 78% of Oregon's timber. These private forests are essential for the state's well-being and economic success. The timber industry provides over 71,000 jobs, many in rural areas where other work is scarce.

The division also houses the Federal Forest Restoration (FFR) Program which was established to increase the pace, scale and quality of restoration of Oregon's federal forestland.

Division funding request

To sustain the historical base budget and recent investments through the Private Forests Accord bills, the division requests \$143,514,660. The amounts by fund are: \$92,267,918 General, \$24,621,284 Other, and \$26,625,458 Federal Funds. This pays for the leadership, education, and enforcement required to protect natural resources and deliver responsible forest management that helps prevent catastrophic wildfires.

This investment maximizes the division's ability to:

- Protect the environment and sustain healthy forests by training and educating staff, forest workers, and the public.
- Inspect and monitor forest work to ensure high compliance rates with best management practices and forestry laws.
- Improve and check forest health by detecting harmful insects and diseases early; preventing, suppressing, and eradicating them; and diligently researching forest health strategies.
- Bring in federal and other outside funds to maximize Oregon's investments.
- Partner with federal agencies and local communities to provide technical help, particularly on family forestlands and through urban and community forestry programs.
- Help small and industrial forestland owners responsibly manage forests to keep forests healthy and prevent catastrophic wildfires.
- Work on federal forestlands to restore them to healthy forests through a strategic plan to reduce the risk of high severity wildfire, recover degraded fish and wildlife habitat, and create employment opportunities in rural communities.

The estimated cost for 2025-27 is \$152,535,077 and for 2027-29 is \$162,164,066. The projected budgets include the investments from the Private Forests Accord legislation, which was not part of the 2021-23 Legislatively Approved Budget. With the 2022 legislative investment, the division is harnessing new technology to better deliver services and administer the forestry laws consistently across the state. The projected 2025-27 through 2027-29

Forest Resources Narrative

biennial budgets use the standard inflation rate to maintain these services. The division continually reviews and identifies services to eliminate, modify, add, or provide by contract to ensure long-term, cost-effective delivery.

Division description

Oregon's forests are the backbone to healthy living, climate-change mitigation and adaptation, and a strong economy. The division provides programs and services to ensure these long-term benefits of healthy, well-managed forests. With the proper investments, the division can keep delivering and improving these benefits.

The Forest Resources Division's nine main businesses are:

- 1) Enforcing and administering the Oregon Forest Practices Act (FPA)
- 2) Forest Health and Monitoring
- 3) Adaptive Management and Training
- 4) Small Forestland Owner's Office – family forestland assistance
- 5) Urban and Community Forestry
- 6) J. E. Schroeder Seed Orchard
- 7) Oregon Seed Bank
- 8) All Lands initiatives
- 9) Federal Forest Restoration Program

Enforcing and administering the Oregon Forest Practices Act (FPA).

The updated FPA is the cornerstone to protect natural resources and responsible forestry. The FPA requires re-planting forests after harvests, stream buffers, science-based law revisions, and best management practices. The FPA encourages private investment. It sets a consistent regulatory framework. In the last couple of years timber and environmental groups through the legislature updated the FPA. These updates renew a social contract for responsibly managing forests while protecting natural resources.

The division, conservation community, landowners, and loggers work together to protect natural resources. To achieve this, the division:

- Educates and gives technical advice to customers to prevent harm.
- Inspects before, during, and after operations.
- Enforces civil and other penalties and responds to complaints.
- Conducts compliance audits and research to measure how well the FPA works.

Improving, maintaining, and further automating the E-Notification system's submission and administrative processes remains a division focus. E-Notification is how people notify the department that they plan to do forestry work. The system requires consistent data entry and reports and reduces technical support needs. Through recent bills and investment by the legislature the system now notifies neighbors of planned helicopter pesticide applications. The system was developed to replace the paper notification system. As part of last session's Private Forest Accord bills the division will add functions to the e-notification system that shift it to more of a dashboard to notify for forestry work, improve regulatory data layers to protect streams, and improve neighborly communication.

The E-Notification system enhances both employees' administrative capacity and customers' efficiency in submitting, managing, and communicating about forestry work and natural resource protections.

Monitoring and improving forest health. The program partners with universities and federal agencies to survey 28 million acres each year to detect and monitor insect and disease damage. This work, combined with specialized surveys, provides data to prevent and manage insects, diseases, and invasive plants.

Adaptive management and training. The Adaptive Management Program administers the Adaptive Management Policy Committee and Independent Research and Science Team to inform FPA and rule changes through valid scientific data. Committee members and research team will start work for the first time in early 2023. The ongoing investment here will more firmly ground in science changes to the forestry laws to help protect natural resources and account for climate changes. This unit will administer the civil penalties program and be the hub for delivering current training to staff, forestry professionals, and the public.

Small forestland owners' office - family forestland assistance. About 60,000 family owners manage forests that range from 10 to 5,000 acres, covering 3.7 million acres. Family-owned forestlands generously contribute to sustainable forestry, water quality, and fish and wildlife habitat. Family forests diversify landscapes and local economies by connecting forestry benefits to urban populations. The program helps landowners access funds for forestry work. In the last biennium the program helped deliver both post-disaster –

Forest Resources Narrative

2020 wildfires and 2021 ice storm – recovery programs by capturing federal funds for small forestland owners and helping increase seedling access. The program also helps landowners tap federal cost-share programs to improve forest health and resiliency.

Most Oregonians are close to family forests, which are often near urban and suburban areas. Family forests typically are most at risk of conversion to non-forest uses if they lose economic viability. Through the Private Forests Accord legislation, the division set up the Small Forestland Owners' office. This office will help small forestland owners to follow the forestry laws, obtain tax credits in exchange for greater natural resource protections, improve forest health, enhance streams, and protect natural resources to help keep these lands forested.

All Lands initiatives. The All-Lands Initiatives Unit is designed to increase the pace and scale of forest restoration and improve the resilience of Oregon's forests across Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic and community sustainability. The Unit administers all USDA state and private grant programs and coordinates with the Federal Forest Restoration Program (FFR), to increase the pace, scale, and quality of forest restoration. The All-Lands Unit leverages other funds to achieve the agency's mission and specifically to avoid fragmentation of working forestlands, improve habitat for native fish and wildlife, and other goals outlined in the Board of Forestry's overarching Forestry Program for Oregon.

Federal Forest Restoration. The Federal Forest Restoration (FFR) Program exists to increase the pace, scale, and quality of forest restoration to increase the resilience of Oregon's federal forests. This is done through joint efforts and contributes to the long-term vitality of the region's economy and rural communities. The FFR Program is key to achieving the department's mission "to serve the people of Oregon by protecting, managing and promoting stewardship of Oregon's forests" on federal lands by:

- Reducing the risk of high severity wildfire to forest ecosystems and communities
- Recovering degraded fish and wildlife habitat
- Creating employment opportunities in rural communities

Urban forestry. This work helps communities identify, maintain, and enhance urban treescapes and their benefits. These include mitigating urban heat, shade, filtering and retaining storm water, improving stream health, and enhancing the mental and physical health of urban residents, and reinforcing neighborhood vitality. The Urban Forestry program helps Oregon's 241 cities, other local governments, and community organizations with many natural resource issues that include resource management, hazard trees, and climate-change mitigation.

J. E. Schroeder Seed Orchard. The J.E. Schroeder Seed Orchard improves forest productivity, health, and economic sustainability by growing high-quality tree seed. The seed has highly desirable traits, such as greater growth potential, wood quality, and disease tolerance. The orchard uses an innovative, long-term, public-private cooperative business model to benefit members. Building on this success, the team will cultivate more acres this year.

Oregon Seed Bank. The Seed Bank makes available the correct, climatically adapted tree seed for family forest landowners. The demand for seed has increased over the years. Ecologically adapted seed improves forests and may help the forestry sector in general and stimulate Oregon's economy.

Major cost drivers. Competent, experienced, professionals comprise the major division costs. Greater rule complexity, more and varied forest operations, and neighbor concerns about forestry work in wildland-urban interface areas create more demand for forestry professionals.

Program justification and link to long-term focus areas

Forest Resources contributes to several elements of the Governor's long-term vision and focus areas for Oregon.

Responsible Environmental Stewardship. Support of this focus area includes investing in programs that improve air and water quality, and conserve, protect, and restore key watersheds, stabilize fish and wildlife populations, improve forest and rangeland health, adapt to climate needs, and reduce the risk of catastrophic wildfire. The division achieves these goals by executing state laws that require private forestland owners to continuously grow and harvest trees, "consistent with sound management of soil, air, water, fish and wildlife resources and scenic resources." (ORS 527.630).

Forest Resources Narrative

Forestlands supply abundant, clean water. Administering and enforcing forestry laws, managing forests, and encouraging voluntary measures among forest owners contribute to the health and responsible stewardship of forests, where almost all water Oregonians use comes from. The department has statutory requirements to conduct research and monitoring to verify current forest management practices are protective, and to develop new laws or policies to maintain water quality and fish and wildlife habitat. Oregon’s policy and regulatory framework for protecting water quality relies on strong, but flexible, land-use laws, a science-based, adaptive Forest Practices Act, and voluntary measures under the Oregon Plan for Salmon and Watersheds. This approach avoids the urban sprawl and forest fragmentation seen in other states that can harm water quality. It also helps keep forestlands producing the highest water quality in Oregon.

Social Equity. A diverse and dynamic economy provides jobs and prosperity. Sustainably harvested timber benefits Oregon’s private forests and contributes many outcomes, including ecologic and economic health. This is especially true for rural areas, where other employment options are limited and typically pay less. Urban forestry assistance enhances urban livability. To prevent forest conversion to other uses, the division advances best management practices. This helps to prevent loss of contiguous forests around urban areas and helps keep Oregon’s working forests as working forests.

Division performance

Key metrics include:

- Independent certification organizations determined over 10 percent of family and 70 percent of industrial forestlands are “soundly managed.”
- Over 97 percent of non-federal forestland remains free of significant insect or disease damage.
- Private landowners have invested over \$110 million in voluntary measures under the Oregon Plan to support watershed improvement.
- The Arbor Day Foundation recognized 69 Oregon Tree City USAs and eight Tree Campuses of Higher Education.

The following table shows yearly division work activity examples.

	2016	2017	2018	2019	2020	2021
Number of Forest Operation Units	20,531	20,729	21,751	19,365	13,146	12,596
Family Forest Assists	852	774	1,131	1,139	707	975
Family Forest Acres with Improved (new or updated forest stewardship) Management plans	7,423	5,546	20,812	8,539	16,994	10,109

Enabling legislation/program authorization

ORS 527 and the 2022 Senate Bills 1501 and 1502 specify the division’s responsibilities for the Forest Practices Act, integrated pest management, and insect and disease control. ORS 526 specifies responsibilities for urban forestry, seed orchard, and the Woodland Management Act. ORS 477 and amendments through the 2021 Senate Bill 762 which has the purpose of preserving and conserving forests by preventing wildfires through fuels mitigation, also known as active forest management. The Good Neighbor Authority (GNA) was authorized in the 2014 Farm Bill. It allows federal and state agencies to work in partnership to implement watershed and forest management activities on federal lands.

Funding streams

Oregon Forest Practices Act (FPA) enforcement is primarily funded using General Fund and the Forest Products Harvest Tax, a 60:40 ratio.

Forest Health invests its General Fund dollars to leverage mostly Federal Funds. Family Forestland Assistance and Urban Forestry are entirely federally funded.

Federal Forests Restoration program is _____

Funding proposal comparison: The 2023-25 biennium division funding proposal increases All Funds 60 percent over the 2021-23 Legislatively Approved Budget.

The 2023-25 Current Service Level requires a 24 percent All Funds increase over the 2021-23 Legislative Approved Budget. This reflects Package 000-

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Current Service Level Exception Request-Base Budget Change; Package 010-Vacancy Factor and Non-ORPICS Personal Services; Package 022-Phased-out Programs and One-time Costs; Package 031-Standard Inflation, Package 032-Above Standard Inflation (State Government Service Charge); Package 033-Exceptional Inflation; and Package 060-Technical Adjustments.

Program Narrative

Forest Practices Act Enforcement and Administration. The Forest Resources Division protects Oregon's natural resources through landowner and operator education and enforcement of the Forests Practices Act (FPA). The department's statutory obligation to administer the FPA and administrative rules requires adequate staffing to inspect and monitor forest activities. The division's continued success builds on the shared responsibility and partnership among operators, landowners, and ODF staff. This approach produces high compliance levels with forest practices rules. Maintaining a stable complement of field foresters and technical experts is a key to ensuring that private forestland owners meet or exceed best management practices.

The division conducts an FPA compliance audit using a third-party contractor. The audit results helped in developing a Key Performance Measure that more accurately reflects our effectiveness in administering the FPA. Annual audits help ensure staff consistently apply the FPA rules, examine implementation and ease of use, target training opportunities, and support third-party programs that certify privately owned forests are managed soundly. The department Monitoring Unit is developing new approaches, methods, and analyses to conduct the compliance audits.

The department continues to use and improve its online electronic notification (E-Notification) system which increases administrative and enforcement efficiency for managing notifications and customer communication. The streamlined online system allows foresters to invest more time directly helping landowners and operators, rather than processing hardcopy files. Agency staff benefit from quicker response times for information requests to keep customers' business operations moving. Continually maintaining and improving this system keeps up with the changing business needs of the department and its customers.

Public subscribers to E-Notification continue to benefit from data the system provides. The E-Notification system allows subscribers to immediately receive and view notifications online. Subscribers can comment on planned operations and provide prompt communication to the operator, landowner, and stewardship forester. Recent upgrades improved communication with neighbors and water users before helicopter pesticide spraying.

The Forest Resources Division performs these key functions and actions to meet business goals and objectives:

- Ensure compliance with rules for harvesting timber, constructing and maintaining roads, treating slash, using chemicals, and re-planting forests.
- Protect special resources including significant wetlands; sensitive bird nesting, roosting, and watering sites; and sites used by threatened and endangered species.
- Encourage the use of non-regulatory measures, such as stewardship agreements and cost-share programs, to support sustainable and healthy forests.
- Effectively manage data on land ownership, beneficial use, sensitive resource sites, reforestation compliance, and activity tracking and reporting.
- Maintain frequent contact with landowners and operators to help consistently apply best management practices.
- Provide effective education:
- Urban interface: Focus on local government and public meetings to address emerging issues and coordinate on land-use planning.
- Family forestland: Partner with Oregon State University Extension, Oregon Tree Farm System, Oregon Small Woodlands Association, and Oregon Forest Resources Institute on education and training. Conduct pre-operation inspections, which are critical for family forestland owners.
- Industrial / Investment forestland: Coordinate with certification programs; continue joint training with Associated Oregon Loggers.
- Interagency and Inter-program: Coordinate and conduct interagency and inter-program training for consistent application of forestry laws and appropriate consulting with other agencies.
- Recognize performance of operators that perform above and beyond the FPA standard protections.

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- Through effective enforcement, create accountability for activities not in compliance with the FPA, and correct or mitigate resource damage.
- Address public safety related to rapidly moving landslides that may come from forestlands.
- Protect scenic values along specified highways.
- Conduct monitoring on the effectiveness of rules and report the findings.
- Audit rule compliance and utilize findings to target internal and external training.
- Maintain certification of wood harvested in Oregon under the FPA as responsibly sourced under ASTM international standard D7612-10.

Water Quality. Oregon forestlands provide a critical source of clean water and fish habitat. Protecting, maintaining, and enhancing the health of Oregon's forests, soil and water resources is a key strategy in the 2011 Forestry Program for Oregon, the Oregon Board of Forestry's overarching policy document. The Forest Resources Division serves a critical role in ensuring high water quality by implementing and enforcing rules that protect drinking water and fish habitat from unnecessary human-caused impacts. The division supports the implementation and reporting of voluntary measures to protect and maintain water quality and fish habitat. The division also embraces its statutory requirement to conduct research and monitoring to verify that current forest management practices are indeed protective and develop new rules or policies where needed to maintain water quality and fish habitat. Executing recent legislation will further protect and maintain water quality and aquatic habitat. This will also be done through new laws and a habitat conservation plan, which gives regulatory certainty while protecting natural resources, particularly aquatic species.

The division works with other state natural resource agencies to plan for a secure and resilient future by protecting water resources. This work recognizes that Oregon's local economies and communities are vulnerable to drought, fires, and floods. To address these challenges, including climate change and urban growth, the division is working to include forestlands as key contributors to supporting a resilient natural infrastructure and maintaining ecosystem services for long-term benefits. The Monitoring Unit played a key role in updating the department-DEQ Memorandum of Understanding. The unit continues to collaborate with DEQ to maintain and improve water quality throughout

Oregon forestlands by formalizing cooperative interagency policy and technical efforts.

In addition, the division's stewardship foresters play a significant role in implementing the Oregon Plan for Salmon and Watersheds, which seeks to restore salmon runs to a sustainable level and improve water quality. Resources are needed to continue to implement voluntary measures, support collaborative monitoring, and gather information for addressing the Board's indicators of sustainable forests. Oregon Plan voluntary restoration measures are Oregon's home-grown response to listings of some salmon species under the federal Endangered Species Act. Stewardship foresters help forestland owners identify opportunities for improving riparian function and stream habitat, such as large wood placement, and work with local watershed councils to implement restoration projects and conduct monitoring.

Adaptive management and training. This program has 11 positions funded through with general fund and harvest tax and needs \$6 million through a policy option package to fund research directed by the Adaptive Management Program Committee for the Independent Research and Science Team to perform. The committee and team are new to the agency as part of the Private Forest Accord bills which did not fund the science and research program because it needed to be established first. The department has submitted a policy option package to fund the Adaptive Management Program Committee and the Independent Research and Science Team.

Committee members and research team will start work in early 2023. The ongoing investment here will more firmly ground changes to the forestry laws in science to help protect natural resources and account for climate changes. This unit will deliver the civil penalties program and be the hub for delivering current training to staff, forestry professionals, and the public. The program staff will provide support to the committee and team, enforce civil penalties, and deliver training and outreach programs to ensure consistent delivery and enforcement of the FPA, while using the data gained through enforcement and working with the compliance monitoring team to focus training and enforcement efforts to better protect critical natural resources.

Small Forestland Owner Assistance Office – Family Forestland Technical Assistance. The SFO Assistance Office has 18 positions (6 limited-duration

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positions). The funding is a combination of general fund, harvest tax, and federal funds. A key component that wasn't built into the funding for the Private Forests Accord legislation was the \$10,000,000 per biennium for the Small Forestland Investment in Stream Habitat (SFISH) Program. This is to be continuously appropriated to the Oregon Department of Forestry to be distributed by the SFO Assistance Office as grants under the SFISH program. The department has submitted a policy option package for the SFISH program funds.

Oregon's 3.7 million acres of nonindustrial family forestlands provide important social, ecological, and economic benefits across urban and rural landscapes. At the urban and wildland-urban interface, family forestlands account for 80 percent of forested areas. Family forestlands often occupy ecologically important, lower-elevation settings near residential areas. Family forestlands comprise smaller, diverse parcels, reflecting a broad range of landowner objectives and uses. Managing these forests is critical to maintaining a diverse, resilient, and fire-resistant landscape. Development and delivery of landowner assistance programs that encourage managing forests has been limited due to decreasing federal support. Currently, the state does not fund this work.

Family forestland owners need information and technical assistance to properly manage their lands for multiple resources. These forest owners often face pressure to convert forestland to non-forest uses because the land value exceeds the timber value. As many family forestlands shift ownership to their children, the new owners often lack forest management experience or knowledge and look to the department for help. Landowners seek help with fire and fuels management, post-fire restoration, and response to forest health threats caused by drought, insects, and diseases.

The division aims to protect and enhance these lands' forest value through managing the forests to meet landowner goals, as outlined by the Woodland Management Act of 1979 (ORS 526.450). These forestlands produce important social, ecological, and economic value. Through Senate Bill 1501 the legislature added capacity to sustain family forestlands and their benefits. Key components of this program include:

- One-on-one technical assistance.
- Planning fuel reduction and forest health projects.
- Developing and delivering incentives.

- Supporting local efforts to build landscape-scale forest restoration projects.
- Implementing the Oregon Plan for Salmon and Watersheds; and
- Administering the Forest Practices Act.

With no dedicated state funding for landowner assistance, the department has relied on grants from the USDA Forest Service State & Private Forestry (USFS), but those funds have decreased. More recently, the department partnered with the USDA Natural Resources Conservation Service (NRCS) and USDA Farm Service Agency (FSA) to connect forest landowners with funds available through federal Farm Bill Programs.

Through these partnerships, Stewardship Foresters provide technical assistance that enables landowners to access federal cost-share programs. The department is looking to increase partnerships with both federal agencies and local organizations to build landscape-scale projects that address forest management needs on public and private lands.

Depending on available funding, the division helps family forestland owners:

- Access technical and financial help programs, especially those available through federal partners like the NRCS and USFS.
- Develop management plans and certify their forests as responsibly managed.
- Learn young-forest management strategies, such as replanting trees, pre-commercial thinning, fuels reduction, and salvaging damaged trees.
- Form cooperatives to better implement forest management activities across ownerships.

Urban and Community Forestry (UCF). Oregon cities face many challenges when balancing competing social demands with the economic and environmental benefits their urban forests provide. The Urban and Community Forestry Assistance Program staff work efficiently and innovatively to help meet the urban forestry needs of Oregon's 241 incorporated cities, other public agencies, colleges and universities and urban forestry-related non-profit organizations. Annually, two Urban Forestry staff assist about 45 percent of Oregon's cities and related entities through trainings, workshops, webinars,

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email advice, and onsite visits. More than 90 percent of Oregon’s population live in these department staff-assisted cities.

Most forestry funding is focused outside of city limits and urban growth boundaries. However, there is a large and growing need for proactive urban forestry management in most Oregon cities. Sound urban forest management benefits rural communities, too. Most salmon-bearing streams pass through cities. Many invasive species get started in cities. Cities and suburbs in drier areas of the state pose significant wildfire risk. Within cities, healthy tree canopy can mitigate stormwater runoff and reduce flooding, cool the ambient summer temperatures, and improve air quality by reducing airborne pollutants. Most cities – especially rural communities with less than 30,000 people – lack the urban forestry technical knowledge and organizational capacity to address these issues or build on these benefits. Day-to-day urban forest management involves managing tree risk in public areas, scheduling pruning and other tree maintenance, anticipating and preparing for invasive insects and extreme weather, and selecting proper trees to augment city infrastructure rather than damage it. Cities often respond to tree-related problems rather than prevent them. The division’s Urban and Community Forestry staff help cities of all sizes learn these proactive and planning-based urban forestry management skills.

The ways urban trees can augment economic, environmental, and social well-being are not well understood by the public. In the rush to address the lack of housing in Oregon, some factions pit the need to provide more housing capacity against the importance of retaining and creating healthy tree canopy. However, the “typical” land development process, which often involves the total removal of mature trees, can often degrade water quality, increase flooding and stormwater runoff, reduce air quality, diminish wildlife habitat, reduce community livability, and raise social justice concerns. Increased development in the wildland-urban interface may fragment forested lands and boost the risk of catastrophic wildfire. Well-informed planning and development can include retaining and increasing tree canopy while addressing housing pressure and improving livability. In downtown areas, trees can stimulate economic health, reduce the heat-island effect, and make streets more attractive to shoppers, workers, and residents. Community and neighborhood parks with generous tree canopy contribute to the improved physical and mental health of the people who use them. Urban Forestry staff help cities understand development trade-

offs, urban forestry best management practices, and the importance of investing in urban forests for their many benefits.

Additional state funding could make a huge difference for Oregon’s urban and community forests: At present, the Urban and Community Forestry Assistance program relies solely on federal funding, which once was enough to support 3.0 FTE staff members, but now only provides funding for 1.75 FTE. Additional, ongoing, federal, or state funding would be used to restore the number of Urban and Community Forestry Assistance program staff to 3.0 FTE. Additional staffing could be used to:

- Provide ongoing support to city staff, elected officials, and tree advisory committees.
- Develop and teach urban forestry courses to increase the tree management abilities of city staff and develop career pathways into forestry.
- Implement cooperative projects with the USDA Forest Service, OSU Extension, other state agencies, companies, and nonprofits that are focused on growth and livability concerns, environmental justice, and addressing the needs of rural and under-served communities.
- Help communities and neighborhoods address wildland-urban interface issues through programs such as Firewise USA and OSU’s Citizen Fire Academy.
- Guide cities on improving the green infrastructure and related economic benefits of trees.
- Increase the use of the Oregon tree inventory software procured through a federal grant that allows tree mapping by cities.
- Add urban forestry support to more remote Oregon cities and communities.

Research-based Urban Forestry Needs in Oregon: In 2018, the National Urban and Community Forestry Advisory Council (NUCFAC) conducted a study funded by the USDA Forest Service called *Urban Forestry 2020*. This study looked at urban forestry-related career access, educational opportunities, and recruitment. There were several key findings that related to Oregon’s urban and community forestry future. The need for good urban foresters and arborists is growing in the Pacific Northwest, especially in areas experiencing increasing development pressure. In Oregon, however, knowledge of and entry pathways into the urban

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forestry/arboriculture profession is low. With increased funding, the UCF program could work with private and public sector partners to address the deficiencies described in the *Urban Forestry 2020* report and create job-training pathways for underserved and under-represented populations across the state.

The Future Potential of department's Urban & Community Forestry Program: A 2014 statewide urban forestry survey conducted by UCF program staff showed department's assistance since 1991 had increased several metrics: the number of cities with active urban forestry programs, the depth and sophistication of these programs, and local urban forest management investment. The survey indicated that department services improved urban forest management and increased the likelihood that cities would proactively address tree problems throughout the state. In 2014, the UCF program supported three experienced urban foresters. After program staffing was decreased to 1.75 FTEs in 2017 UCF staff observed that it was more challenging to reach the cities that are unengaged with urban forestry management and do the desired outreach to underserved populations. As described above, with more funding to increase staff and pursue projects as in the past, the UCF program can make huge strides in engaging cities in urban forest management. As cities continue to develop, the need for Urban Forestry expert technical assistance, access to technical resources such as tree inventory software, and pathways into the urban forestry field will continue to grow throughout Oregon.

Forest Health and Monitoring: Insects, diseases, and invasive species kill many trees and reduce forest growth, damaging the economic and ecological roles of forests. These disturbances also contribute to hazardous wildfire conditions.

ODF's Forest Health Program invests millions of dollars in federal grant funds to eradicate, control, and prevent pest problems. The program educates, trains, and helps the public, including delivery of cost-share funding, particularly in the wildland-urban interface areas. To deliver on these priorities the program:

- Conducts annual aerial surveys to identify damage from insects, disease, and other agents on 28 million forested acres. Oregon and Washington lead the nation with the longest consecutive record of annual aerial surveys, started in 1947.
- Provides technical help and training to forest owners, foresters, and agencies about forest health and pest management.

- Slows the spread of the sudden oak death pathogen through intensive treatments.
- Performs surveys to detect Swiss needle cast, sudden oak death, emerald ash borer, gypsy moth, and damage from bears and other pests.
- Analyzes the state's insect and disease trends. For example, in 2019, the state estimated 753,000 acres had tree damage and mortality due to insects and disease, the highest since 2011.

Invasive Species: Nonnative plants and diseases increasingly threaten forests. As worldwide trade, travel, and shipping increase, so do invasive species. Managing these threats requires integrated and coordinated efforts. To do this, the program closely cooperates with agencies, research institutions, and the U.S. Forest Service. Recent examples include:

- Asian and European gypsy moth eradication efforts among department, Oregon Department of Agriculture, and several federal agencies including the Oregon Invasive Species Council.
- Emerald ash borer (EAB) surveys are jointly conducted with U.S. and Oregon Departments of Agriculture. Nationally, property value loss and control costs for EAB total \$1.7 billion annually. The insect, which kills all species of ash trees including our native Oregon ash, was first detected in Washington County in June 2022. The department and 45 partners developed a readiness and response plan anticipating what actions communities should prepare for. It also contains guidance on what actions they should take now that the pest has arrived in Oregon.
- The Forest Pest Detector Program is a grant-funded partnership with OSU that has trained over 500 tree professionals in the signs and symptoms of invasive species, including emerald ash borer and the Asian long-horned beetle. A civilian graduate of the program was the first to spot and report the presence of emerald ash borer in Oregon.

Insects: Insects are a part of natural forest cycles. Insects can support critical functions, such as pollination and natural control of other insects that damage trees. On the other hand, periodic forest insect outbreaks can cause major tree death and damage. The department engages in activities that support healthy insect population levels and remedies when damaging outbreaks occur. Examples include:

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- The Oregon Bee Project that brings Oregonians together to create a science-based strategy to protect, promote, and manage native bees through education, pollinator-friendly practices, and research.
- The bark beetle cost-share program aids landowners taking preventative measures to avoid bark beetle outbreaks in at-risk areas by providing a 50/50 cost share for activities such as thinning, sanitation, slash management and, in some cases, chemical treatments.

Diseases: Forest diseases play an important role in forests but at unhealthy levels can negatively impact forests. In recent years, sudden oak death and Swiss needle cast have become particularly prevalent.

- Sudden oak death kills tanoak and damages understory shrubs along the southwest coast in Curry County. It has been pushing north, intensifying within the quarantine area, and threatens tanoak outside the quarantine. An interagency team has slowed the pathogen's spread. However, due to the large disease footprint that readily spreads and the emergence of a new, more virulent strain that threatens conifer species, it continues to spread.
- Swiss needle cast is a fungus that affects Douglas-fir on over 546,000 acres, mostly in the Coast Range. It causes needles to turn yellow and prematurely fall, which reduces forest growth and survival. The fungus causes the loss of more than 190 million board feet per year.

The damage caused by these insects and diseases, when unchecked, exacerbate the wildfire risk across the state. Forest health is one of the first steps in proactively preventing wildfire and reducing risks of catastrophic wildfires.

J. E. Schroeder Seed Orchard. The J.E. Schroeder Seed Orchard furthers the productivity, health, and economic sustainability of Oregon's forests by growing high-quality tree seed. Goals for the Orchard include meeting the seed production and management objectives of orchard cooperators. This is done to ensure long-term cooperative tree improvement and conserve productive tree species' genes. The seed orchard, a prominent producer of native tree seed since the early 1970s, helps ensure an ongoing supply of high-quality seed adapted to forest environments. The seed has highly desirable ecological traits, such as improved growth potential, wood quality, and disease tolerance. The Orchard makes these enhancements using conventional plant-breeding methods without genetic engineering or molecular technologies.

The Orchard uses an innovative, long-term, public-private cooperative business model to benefit members. It has 39 cooperative orchards with 24 different cooperative members, including state and federal agencies, and industrial forest companies. Orchards include Douglas-fir from Oregon and Washington, western hemlock, western redcedar, Ponderosa pine, and Willamette Valley ponderosa pine. Yields of cone crops are consistently high and predictable. During the 2020 harvest season, the bearing orchards produced 4,859 pounds of Douglas-fir seed, enough to reforest about 282,500 acres.

Given the structure of the J. E. Schroeder Seed Orchard, the business model depends on recruiting and retaining cooperators. The Orchard complex relies upon the repayment of services by the cooperators, receiving no outside state or federal funding support.

Oregon Seed Bank:

The Seed Bank assures appropriate, climatically adapted tree seed is available for family forest landowners throughout Oregon. The Seed Bank can purchase up to 6 percent of each harvest from the Schroeder Seed Orchard and make it available to purchase at cost for family forest landowners, conservation programs, and tree seed nurseries.

The demand for seed has increased over the years due to a variety of factors. Seed availability has also increased to include seed zones across the state. The major tree species available include Douglas-fir, western hemlock, western redcedar, and Willamette Valley ponderosa pine, but a wide range of other species can also be obtained through the Oregon Seed Bank.

The Seed Bank makes a huge difference. In 2019, the Seed Bank distributed over 168 pounds of seed capable of producing more than 3.2 million seedlings. This seed, comprised of seven important species, is enough to reforest over 8,000 acres. The improved genes of hybrid seeds can produce trees with greater growth. This has the potential to increase profitability for family forest landowners and is consistent with department goals of maintaining a productive forest land base. Ecologically adapted seed is an asset that may further benefit the forestry sector and stimulate Oregon's timber economy. Despite the availability of tree seed through the Seed Bank, family forestland owners still face challenges in finding nurseries to grow seeds into seedling trees needed for forest regeneration following harvest or natural disturbances, such as wildfire.

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One reason is nursery growing space and labor is limited, resulting in tight supplies when demand for forest seedlings is high.

All Lands Initiatives. The All-Lands Initiatives Unit is designed to increase the pace and scale of forest restoration and improve the resilience of forests across Oregon. The Unit does this by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic and community sustainability. The Unit administers all U.S. Department of Agriculture grant programs for state and private forestry, and coordinates with the Federal Forest Restoration Program (FFR) to increase the pace, scale, and quality of forest restoration. The All-Lands Unit leverages other funds to achieve the agency's mission to avoid fragmentation of working forestlands, improve habitat for native fish and wildlife, and other goals outlined in the Board of Forestry's overarching Forestry Program for Oregon. This support includes the identification of federal grant programs, coordination of grant requirements with federal agencies, developing and documenting grants processes and providing resources to ODF field offices doing the work on the ground. Private landowners and other partners use these funds to contract management actions, such as forest fuel reduction, forest health treatments, stream restoration, and management planning activities. Additional activities of the All-Lands Unit include project identification, grant development and management, and working with field staff to identify opportunities and researching various federal and other funding sources. When opportunities are identified, work includes bringing the federal grant into the department, setting monitoring processes to accurately report accomplishments, developing new funding sources, building partnerships with potential public and private funding organizations, developing stronger partnerships with state and federal implementing agencies, non-governmental organizations, and private sector partners to leverage and align programs to increase the amount of work being completed and the collective impact.

The All-Lands Initiatives Unit uses general funds from SB 762 to deliver a treatment program to reduce wildfire risk on public and private forestlands and rangelands, and in communities near homes and critical infrastructure. This is done by restoring landscape resiliency and reducing hazardous fuels. The department working with many partners, including OSU Extension, state and federal agencies, counties, cities, local governments, Indian tribes, public and private forestland and rangeland owners, forest collaboratives, and interested

community organizations to select projects for treatment. The legislature and governor's office have clearly communicated that forest restoration and resiliency are key to reducing fire risk. The department's effort to reduce hazardous fuels is key to protecting lives and livelihoods as well as the states natural resources. A stable funding source to increase forest resiliency to fire, climate change, insects, and diseases is imperative. The Governor's Council on Wildfire Response highlighted that there are 5.6 million acres urgently in need of restoration and fuels reduction. The cost to cover all these acres has been estimated at \$4 billion over 20 years (a cost of \$400 million per biennium). Scientific literature indicates that the state will see increasing complexity and severity of fire seasons and wildfires due to climate change. Increasing the state's forests resiliency to climate change is a key and important action to both reduce and avoid greenhouse gas emissions from wildfires.

There is a need to increase the department's capacity to support partner organizations and agency staff in identifying, planning, and developing strategic landscape resiliency and small forestland fuel-reduction projects, increasing project alignment with climate-resilient forestry, including informing project priorities and reporting on active projects. The added positions will improve technical support to partners, landowners, and partner agencies.

The department has submitted a policy option package to make the limited duration positions associated with this program permanent.

The unit is primarily funded by federal funds with some general fund. Revenue sources for federal grants typically provide funding over a three- to five-year period. The total funding of all active grants administered during a biennium generally amounts to \$38-40 million. The following sources have historically been the core of the department's grant funding:

Western States Fire Managers & Wildland Urban Interface Community Assistance USDA, US Forest Service—These annual, competitive grants support wildfire education and mitigation work, including fuels treatment/reduction projects, defensible space education, human-caused wildfire prevention and awareness, and community fire plan development assistance. State Fire Assistance U.S. Forest Service—An annual, non-competitive matching grant that provides financial assistance to state wildland fire protection agencies to offset eligible standby and direct wildland fire

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emergency management costs. Natural Resource Conservation Service Technical Assistance—This NRCS program enables department field staff to help non-industrial private forest landowners move through NRCS cost share programs. Other smaller federal fund opportunities through the U.S. Department of Agriculture including, Forest Stewardship, Forest Health Monitoring, Forest Health Cooperative Assistance, Urban and Community Forests, Landscape-Scale Restoration, and Volunteer Fire Assistance.

Federal Forest Restoration. The Federal Forest Restoration (FFR) Program exists to increase the pace, scale, and quality of forest restoration to increase the resilience of Oregon’s federal forests. This is done through joint efforts and contributes to the long-term vitality of the region’s economy and rural communities. The FFR Program is key to achieving the department’s mission “to serve the people of Oregon by protecting, managing and promoting stewardship of Oregon’s forests” on federal lands by:

- Reducing the risk of high severity wildfire to forest ecosystems and communities
- Recovering degraded fish and wildlife habitat
- Creating employment opportunities in rural communities

The federal government owns 60 percent of Oregon’s forests. USDA Forest Service and Bureau of Land Management decide how to manage those forests – greatly influencing the state’s economic, environmental, and community wellbeing. Many of these forests lie in the drier climates of Eastern and Southwest Oregon, with elevated forest health problems and risk of wildfire.

Since the federal government owns so much of Oregon’s forests, the condition of these federal forests has a dramatic effect on the health of the state’s total forestland. This also means there’s a huge impact on the department’s ability to accomplish its mission and ensure the state captures the environmental and economic values provided by our forests.

To deliver on its mission and capture benefits for Oregonians from federal forests, the FFR Program invests in six strategic areas:

1. Collaborative Capacity Grants (CCG)
2. Technical Assistance and Science Support (TASS)
3. Planning Assistance and Science Support (PACE)

4. Project Management
5. Good Neighbor Authority
6. FFR Staff and Crews

1. Collaborative Capacity Grants. Goal: To increase the number, acreage, and complexity of collaboratively planned projects in Oregon, while also increasing the capacity of collaborative groups to achieve this outcome.

The department and Oregon Watershed Enhancement Board (OWEB) jointly administer the Collaborative Capacity Grants. The entities focus on strengthening forest collaborative organizations and advancing zones of agreement for restoration that includes vegetation management on federal lands. These grants help local collaborative groups, which have demonstrated an ability to move beyond gridlock and increase fuel reduction and restoration projects on federal lands. They achieve this, in part, because of increased social license and reduced litigation.

2. Technical Assistance and Science Support (TASS). Goal: To provide technical assistance from outside a forest collaborative group’s core staff to improve the group’s capacity to build common understanding and consensus around active forest management.

Work funded under TASS has clear deliverables, fosters collective learning, and to the extent possible, benefits multiple collaborative groups. TASS projects are intended to provide information, learning, analysis, plans, designs, templates, tools, or other kinds of capacity to local collaborative groups to increase their impact at the local scale. Examples of past projects include:

- Fire history and stand development studies that provide site-specific information on historic stand structure and how to move it to a more resilient state
- Outreach and Communications: data collection, planning, product design/development, training
- Workshops, trainings, and other opportunities for collaborative group members, practitioners, and stakeholders to learn from the latest scientific research and literature

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3. *Planning Assistance and Categorical Exclusions (PACE)*. Goal: To expedite restoration project planning through data collection, planning innovations, and contracted National Environmental Policy Act (NEPA) categorical exclusions.

The PACE project investments, referred to in previous biennia as State-Federal Investment Partnership (SFIP) investments, are intended to advance more restoration projects through the environmental planning phase of a restoration project. By issuing contracts to perform the data collection, analysis and documentation needed to move projects through the environmental compliance and planning stage, more projects are available to be implemented, increasing the availability of 'NEPA- ready' acres. Restoration project planning is a key bottleneck to increasing the pace and scale of restoration work occurring on federal lands in Oregon.

4. *Project Management*. Goal: To ensure robust third-party program monitoring, communications, administrative support, and Department of Justice review.

5. *Good Neighbor Authority*. Goal: To perform restoration work on federal lands that is additive to the U.S. Forest Service and Bureau of Land Management using federal funds and GNA timber-sale revenues.

6. *FFR Staff and Crews*. Goal: To increase the pace, scale, and quality of forest restoration by implementing the FFR Program components that contribute to more restoration work planned, implemented, and monitored in Oregon.

Oregon has made significant progress in achieving improved economic, ecological, and community outcomes on federal forestlands since the Federal Forest Restoration Program was created. The FFR Program investments have resulted in these outcomes in the 2019-2021 biennium alone:

- Collaborative Capacity Grants (CCG) to 12 collaborative groups that helped prepare project-level restoration plans totaling 859,174 acres of federal forestland across 32 different planning areas resulting in:
 - 40,000 acres of forest restoration, timber sales, pre-commercial thinning, and piling of fuels.
 - 25,000 acres of pile burning and about 3,800 acres of broadcast burning.
 - Approximately 210 million board feet of timber sales that supported 486 jobs harvesting or processing timber and 610 jobs in other sectors.

- Technical assistance and science support (TASS) projects including:
 - Three studies examining historic forest fire and ecological conditions.
 - Outreach, communications, and storytelling support for three forest collaboratives.
- Planning Assistance and Categorical Exclusion (PACE) investments have resulted in:
 - 2.2 million acres surveyed by LiDAR (light detection and ranging).
 - 9,759 acres of NEPA surveys (heritage and botany).
 - 2,550 acres of non-commercial fuels and prescribed fire treatments.
 - Two contracted NEPA Categorical Exclusion projects covering 9,093 acres.

Division performance

Figure 1 Total investments made through the FFR Program by program area, 2013–2021

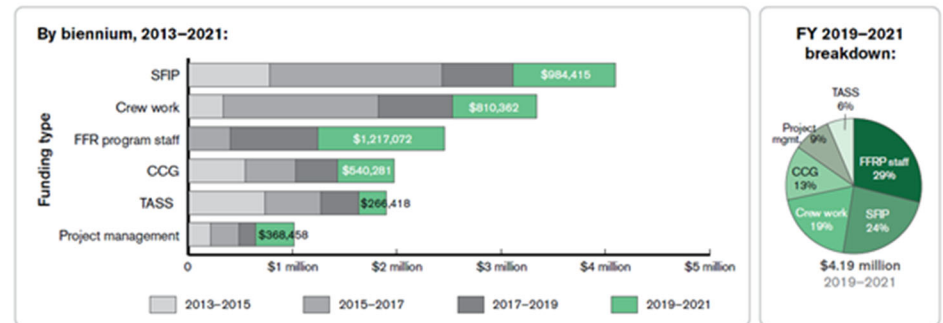


Figure 1 shows the investments of General Funds in the FFR Program by investment type. Note that SFIP is now called PACE and FFR program staff and crew work have been combined into one component.

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Figure 4 Average annual GRP and jobs supported by FFR Program investments during the 2019-2021 biennium, by program area.

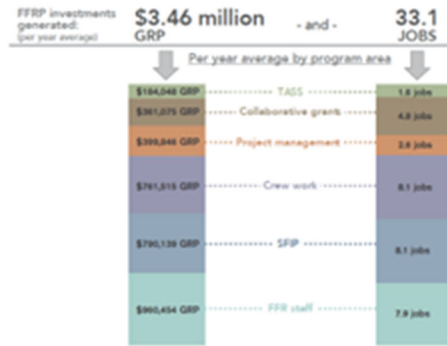


Table 1 FFR Program investment impact on jobs per year and annual GRP by biennium, 2013-2021

	2013-2015	2015-2017	2017-2019	2019-2021
Investment per year	\$1.3 million (actual)	\$2.4 million (actual)	\$1.6 million (actual)	\$2.1 (anticipated)
Jobs per year	36.6	49.3	32.9	33.1
GRP per year	\$2.7 million	\$3.9 million	\$2.6 million	\$3.5 million

Figure 4 shows the FFR Program’s General Fund investments have translated into Gross Regional Product (GRP) and jobs. In the 2019-21 biennium, the FFR Program investments contributed an annual average of \$3.46 million to GRP and created 33 jobs annually.

HB 4118. Passed in the 2018 Legislative Session, established, “It is the policy of the state to pursue projects under [GNA] that increase timber harvest volume, contribute to job creation, reduce wildfire risk to all lands, improve wildlife habitat and watershed health and stimulate local economies.”

Good Neighbor Authority. First passed by Congress in the 2014 Farm Bill and made permanent in the 2018 Consolidated Appropriation Act, the Good Neighbor Authority (16 U.S.C. 2113a) allows state agencies to carry out authorized restoration services on federal land.

SB 762. Tasks department to, “...reduce wildfire risk through the restoration of landscape resiliency...” across all land ownerships, including federal lands.

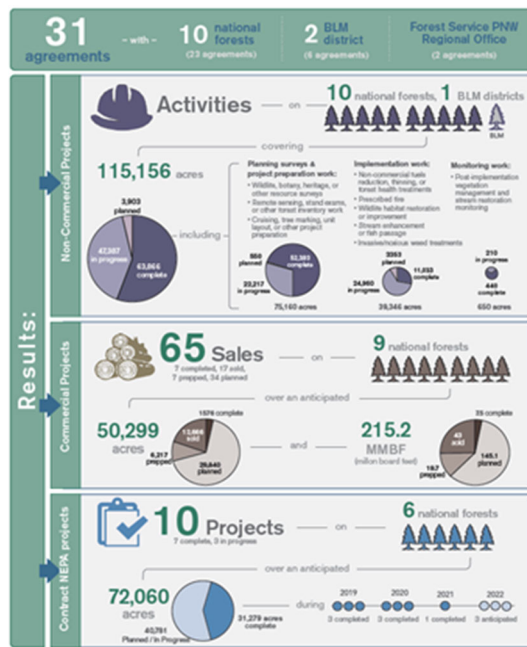
The Federal Forest Restoration Program’s forest collaborative support investments (CCG & TASS) and federal partner support components (PACE), and a portion of its staff are funded with General Fund investments. The FFR Program also leverages federal funds and GNA timber sale revenues (Other Funds) via Good Neighbor Authority (GNA) agreements. Overall, the FFR Program is funded 40% by the General Fund and 60% by federal and other funds.

The department has submitted a policy option package that adds 17 FTEs to the program while shifting where existing positions are funded to have minimal impact to the General Fund. The 17 new positions, when added to the 25 that currently exist within the FFR Program, bring the position count to 42 within the program.

Also, a part of the proposal is to ensure that the General Fund invests \$500,000 in CCG, \$250,000 in TASS, \$750,000 in PACE, and \$400,000 in Project Management (monitoring, communications, DOJ, administrative prorate). These General Fund S&S investments would be in addition to the position related S&S and would be consistent with the 2019-2021 biennium FFR General Fund budget.

Since 2013, the department’s Federal Forest Restoration (FFR) Program has worked closely with federal agencies and local forest collaboratives to restore and maintain the resilience of the 60% of Oregon’s forestland under federal ownership. Based on a report issued by the Governor’s Council on Wildfire Response (GCWR), there are 5.6 million acres in urgent need of thinning,

The last figure shows work the department accomplished under GNA from 2016-2021. Since 2016, the department has completed over 75,000 acres of commercial and non-commercial restoration work, sold 24 timber sales generating 50 million board feet of timber volume, and completed eight NEPA CE projects covering 30,000 acres under Good Neighbor Authority.



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prescribed fire, or other restoration treatment to alter fire behavior and reduce the risk of stand replacing wildfire. Of the 5.6 million acres at high risk, 65% are located on federal lands. Over the past three decades, over 90% of all acres burned have been on Oregon's federal lands. Senate bill 762 and the additional resources ODF received in the 2021 regular session have brought us part of the way toward addressing wildfire risk on the federal forests in Oregon, but more department staff are needed to prepare and administer contracts and expand the Program's scope proportional to the need.

Building off the support of the Oregon Legislature for this work, the Infrastructure Investment and Jobs Act (IIJA) recently passed by Congress looks to significantly expand investments in the nation's forests. The Act's forestry section focuses on reducing the risk of catastrophic, stand-replacing wildfires by conducting proactive management activities. Provisions of the IIJA call on federal land-management agencies (USDA Forest Service and the Bureau of Land Management) to expand their partnerships with state and local governments, tribes, NGOs, and others to accomplish ecosystem restoration and wildfire risk reduction. Specifically, the 'ecosystem restoration' section of the law (sec. 40804) allocates \$200 million "...to provide to States and Indian Tribes for implementing restoration projects on Federal land pursuant to good neighbor agreements..."

These unprecedented federal investments in the IIJA (through 9/30/2026) in restoration work under Good Neighbor Authority (GNA) will require ODF to further expand its workforce. By 2026, there will be sufficient GNA timber-sale revenue or other federal fund sources to sustain this expanded workforce.

This package also contributes to Executive Order 20-04 and the goals in ODF's Climate Change and Carbon Plan (CCCP) to, "Accelerate the pace, scale, and quality of climate appropriate forest restoration". Improving the ecological resiliency of our federal forests presents a powerful climate-change mitigation tool by reducing instances of stand-replacing wildfire, but also storing carbon dioxide in long-lived wood products.

In less wildfire prone areas, forest restoration and management are still needed, providing benefits of improved fish and wildlife habitat, improved watershed conditions, and enhanced recreation and other social benefits for both rural and urban communities. An increase in forest restoration, stewardship, and

management that would result from this package will provide important ecosystem, economic, and social benefits for Oregonians. It will have especially positive impacts in rural, forest-dependent communities in which the forest-products sector is the primary driver of the local economy.

To meet the recommendations in the GCWR, the goals of EO 20-04 and ODF's CCCP, and the increased demand on department personnel associated with the Infrastructure Investment and Jobs Act investments, ODF conducted a capacity needs assessment to determine what was necessary to scale up its restoration work. This assessment is the basis of this package, which builds off the existing FFR Program structure.

The proposal described below will have a minimal impact to the General Fund (GF) appropriation for the 2023-25 biennium even though it adds 17 FTEs to the FFR Program. This is achieved through existing position fund distribution shifts and is made possible by Federal Funds (IIJA, other congressional appropriations, federal trust funds) and other available funds (e.g. GNA timber sale revenue). The additional 17 positions, when added to the 25 existing positions in the FFR Program, would bring the position count to 42.

This proposal also requests General Fund investments of \$500,000 in CCG, \$250,000 in TASS, \$750,000 in PACE, and \$400,000 in Project Management. These General Fund investments are in addition to the position related S&S and bring the General Fund allocation to FFR Program back to 2019-2021 levels. Below is a summary of the difference across fund types between the current 2021-23 FFR personnel budget and the proposed 2023-25 FFR personnel budget.

Important background for decision makers

Since the founding of the Department of Forestry in 1911, Oregon has witnessed a continuous evolution of forest challenges. Starting with wildfire and reforestation laws, and later evolving into maintaining healthy, sustainable forests on both private and public forestland, Oregon has successfully met these challenges. The passage of Oregon's Forest Practices Act (FPA) in 1971, was brought about by an increase in the public's environmental awareness and concern regarding natural resource protection. The Private Forest Accord bills underscored that the state is once again using the Oregon Way to raise the bar for forest management. The Accord bills make huge updates to the FPA and associated best management practices. This mandate sets a new standard for

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administering the FPA, giving regulatory certainty, obtaining a habitat conservation plan and incidental take permit, and protecting natural resources for the next 25-50 years. This emphasizes a strong regulatory approach to ensuring desired public benefits from private forestlands. The Act has continued to adapt over time in response to monitoring and research findings.

Today we are facing the next evolution of challenges to healthy, sustainable forests in Oregon - conversion and fragmentation of forestlands and the associated challenges with increased development.

As Oregon grows it faces greater development and increased population; more and more forest tracts are being converted to other uses or face a heightened risk of conversion. Nationally, the U.S. Forest Service and the National Association of State Foresters identified development and forest fragmentation as critical issues. Development and economic pressures on private lands are driving the splitting and conversion of forestland to other uses. Private lands close to urban areas and family forests are particularly threatened by these trends. Expanding cities into forest areas increases the number of complaints and conflicts with managing forests, and the risk of wildfire starts. This dynamic further complicates the ability to sustain working forests.

A report by the Forest Service states nearly 80 percent of the nation's freshwater originates from forestland. When forests are lost to conversion, stand-replacing wildfire, or severe insect and disease outbreaks, the quality and quantity of our water supply is affected. Forests, water, fish and wildlife habitat, and people are intricately connected. The challenges of urban sprawl, forest conversion, climate change, invasive species, and severe wildfires are more daunting and complex than when the FPA was enacted in 1971.

These changes and challenges affect the department's ability to deliver efficient and effective services to private forest landowners and maintain healthy forests. The department faces a significant task in administering the FPA and providing wildland, urban, and community forest education and technical assistance. department field staff spend an increasingly disproportionate amount of time working with complex natural resource situations and conflicts in forests already at risk of conversion and fragmentation. The department must ensure it continues to deliver a mix of services that meets the diverse needs of Oregonians, landowners, communities, developers, regulators, and stakeholders across a broad diversity of forests while promoting and conserving forest lands.

Thus, where the regulatory approach was the primary tool in the past, the changing landscape, and socio-economic needs of today highlight the need to develop new and innovative landowner and institutional strategies to address today's challenges across private and federal ownership boundaries.

Revenue

The Forest Resources Division makes use of multiple funding sources, including:

- Forest Practices – To fund Forest Practices Act administration the General Fund typically contributes 60 percent, and 40 percent comes from the Oregon Forest Products Harvest Tax.
- Federal Funds – The division receives funds from several federal agencies. Most federal funds come from the U.S. Forest Service (USFS) and Natural Resource Conservation Service. Matching funds are usually required and ranges up to 50% for some funding sources.
- Other funds include cooperative projects, private donations, and other receipts. This revenue is estimated based on previous years.
 - Cooperative project partners include Oregon State University, the Oregon Departments of Agriculture, Fish and Wildlife, and Environmental Quality, the Oregon Watershed Enhancement Board, the Oregon Forest & Industries Council, and the federal Natural Resource Conservation Service and the Forest Service.
 - Private Donations – Urban and Community Forest Program
 - The Urban and Community Forestry program can, but rarely does, receive, and disburse money and labor, material, seedlings, trees, and equipment donations from public and private sources for urban and community forestry programs.
 - Other receipts and fees – Seed sales for family forestland owners, and document-request fees
- Federal Forest Restoration Program- revenue generated by federal GNA timber sales and additional federal funds provided through Supplemental Project Agreements (SPA) with the Forest Service. No match is required. With Shared Stewardship and recommendations from the Governor's Council on Wildfire Response, the opportunities, and expectations for ODF to staff up significantly to implement projects across both public and private lands will continue to grow.

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Essential Packages

Pkg 010-Vacancy Factor and Non-ORPICS Personal Services

This package includes standard inflation of 4.2% on non-ORPICS items such as temporaries, overtime, shift differential, all other differentials, and unemployment compensation, including the OPE associated with them.

Pkg 022-Phase-out Program & One-time Costs

The purpose of this package is to Phase Out one-time budget increases remaining from prior biennia. The Forest Resources program has three items from the 2021-23 biennium being Phased Out: (1) Phasing out on-time funding of (\$1,700,000) General Fund related to Sudden Oak Death control, funding in SB 5518 Package 801. (2) Phasing out (\$5,000,000) of Tree Seedling Nursery Grants funded in HB 5006 Section 183, Package 811. (3) Phasing out (\$10,500,000) of one-time funding for Private Forests Accord provided during the February 2022 Short Session. The net of these three actions is a General Fund budget reduction of (\$17,200,000). There is no change to Position Counts or FTE.

Pkg 031-Standard Inflation

The purpose of this package is to include a set of standardized inflation rates for all agencies, increasing their budgets above their final base amounts for all non-personal-services expenditure accounts. These rates are 4.2% for standard or “generic” accounts, and then larger rates for “Price List Accounts,” specifically 8.8% for Professional Services and 21.10% for Attorney General charges. There is no change to position counts or FTE.

Pkg 032-Above Standard Inflation

The purpose of this package is to record increases to the budget which exceed the standard inflation rate. In Agency Administration this package records the increased State Government Services charges from the DAS Price List, in the amount of \$1,542,456 Other Funds. As one of the operating programs which fund the Agency Administration program through the Admin Prorate, Forest Resources has a corresponding General Fund CSG 6060 increases of \$825,601. There is no change to Position Counts or FTE.

Pkg 033-Exceptional Inflation

The purpose of this package is to recognize budget increases which exceed the standard inflation rate. Increases to the Agency Administration program in this package are funded by the operating programs through the Admin Prorate, from Other Funds revenue transfers and General Fund Special Payments. In

the Forest Resources program this results in an increase of \$2,128,939 General Fund in CSG 6060. There is no change to Position Counts or FTE.

Pkg 060-Technical Adjustments

The purpose of this package is to make technical budget adjustment and corrections. The department is making multiple structure changes this biennium due to internal re-organization efforts. As a result the FFR program is being merged into the newly-renamed Forest Resources program, as a sub-program, as well as moving some positions to the newly created Planning Branch SCR 629-060-00-00-00000. These actions are net-zero at the Agency-Wide and Fund level, but increase the Forest Resources program SCR 629-050-00-00-00000 by \$35,190,848 General Fund, \$676,116 Other Funds, and \$7,141,896 Federal Funds, 36 Position Counts and 33.02 FTE.

Policy Packages

Package Number	Component Title	All Funds	Positions / FTEs
100	Community Engagement & Climate Change	\$1,763,448	6/6.00
102	Emergency Response & Life Safety	\$49,349	0/0.00
103	Document Management System Preparation	\$46,285	0/0.00
104	Planning Branch Capacity	(\$147,281)	(1)/(1.00)
105	Federal Partnerships Support	\$2,651,431	10/10.00
106	Private Forests Accord Development	\$17,664,273	0/0.00
107	SB 762 Continuing Investments	\$1,160,860	2/2.00
108	FFR Program Infrastructure	\$8,900,139	18/17.09
109	Facility Management Capacity	\$138,856	0/0.00
116	State Forester's Office Renovation	\$49,625	0/0.00
Total Packages:		\$32,276,985	35/34.09

Package Narrative

Package 100-Community Engagement and Climate Change

Purpose: The purpose of the Community Engagement & Climate Change program enhancement package is to support implementation of the agency's

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Climate Change and Carbon Plan (CCCP), which was adopted by the Board of Forestry in late 2021. The CCCP identifies climate change as a serious threat and advances a vision for climate-smart forestry that provides meaningful direction towards realization of adaptation, mitigation, and social policies that promote community, ecosystem, and economic health. The plan recognizes that Black, Indigenous, and People of Color (BIPOC), natural resource-dependent communities, and those growing up in intergenerational poverty have been and continue to be among the most climate-impacted communities, and calls for forest policies shaped through an environmental justice and equity lens. The plan recognizes the importance and significant role of Oregon's forest industry in offering climate change mitigation and adaptation options and economic opportunities, especially in rural communities. Finally, the plan calls for incorporation of leading science of consensus in the development of statewide implementation strategies across ownerships.

The legislature made significant investments in the department in both the 2021 and 2022 Legislative Sessions via Senate Bill 762 and the Private Forests Accord directed legislation. These investments recognize the important connection between communities and natural resources. They have driven significant change in existing policies, practices, and developed new program areas within the department. As these new bodies of work have developed, it is clear the department needs a more coordinated investment to ensure new policies are socially equitable and reflect requirements in Executive Orders and statewide policies as well as the principles of climate-smart forestry, as outlined in the Climate Change and Carbon plan.

With this package, the department will be better positioned to coordinate between recent investments, improve efficiency, equity, and realize expanded opportunities to engage urban and rural community members, increasing awareness of the important role forests play in providing resources that support communities and ameliorate climate change impacts. With additional capacity there will be a substantially improved ability to engage and reflect traditionally under-represented communities – in policy development and deployment around forest management.

Finally, the department is seeking funding to install electric vehicle charging stations at its facilities across the state. This works toward limiting the department's greenhouse gas emissions and is included in the CCCP as well as

enterprise-wide direction to do so. Implementation of this infrastructure will allow for greater incorporation of electrified vehicles in the department's fleet.

How achieved: The Community Engagement & Climate Change program enhancement package includes added capacity and investments across three programs to enable more deliberate engagement with diverse communities statewide and to increase the department's capability for planning and implementation around climate change and community resilience. Investments in staff capacity and program enhancements in the department's Planning Branch, Forest Resources Division, and Administrative Branch will focus on the following elements:

Forest Resources Division: The Forest Resources Division has taken initial steps to identify linkages between current projects within the division and the climate-smart forestry goals and supporting actions outlined in the CCCP; however, it is clear more capacity is required to implement actions identified in the plan. The proposed enhancement package would allow the division to focus on climate-smart forestry goals of the plan, including urban and community forestry, reforestation and afforestation (e.g., climate adaptation, post-fire recovery), climate-smart forestry in silviculture, and forestland climate resilience and ecological function restoration. The additional positions will improve technical support to partners, landowners, and sibling agencies. With these additions, ODF anticipates to incorporate and respond to environmental justice considerations within and across Oregon communities.

- *Urban & Community Forestry:* Urban forests offer tremendous benefit to the state's underserved populations, yet the department's Urban and Community Forestry Program is staffed at less than 2 FTE and is wholly supported by federal funds that fluctuate annually. The proposed enhancement would add general fund to match existing federal funds, enabling the development of a program that could more adequately support local urban and community forestry efforts and engage underserved communities. In addition to adding one staff member, the enhancement also includes a \$250,000.00 per biennium to assist local communities with inventory work for enhanced urban and community forestry management. Benefits include:
 - Development of an effective training program for city staff to manage their tree canopy;
 - Creation of tree ordinances that conserve healthy canopies;

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- Support for tree advisory committees, especially those working with underserved and marginalized neighborhoods and communities; and
- Development of urban forestry management plans that foster climate-smart urban tree management.
- *Climate-Smart Forest Management:* Climate change has increasingly significant impacts on forest management decisions, especially for reforestation following disturbance like wildfire and reforestation of under-producing lands. In addition to species of trees planted, silvicultural decisions have important impacts on the long-term health and vigor of stands, particularly in areas of low productivity. The proposed enhancement package would build and make permanent dedicated capacity to manage a reforestation program and provide technical reforestation and silviculture assistance to landowners, particularly those impacted by wildfire. Some of this capacity (LD positions) was originally provided to the department in HB5006 (2021).
- *Forest Legacy:* The department participates in the Forest Legacy Program through the USDA Forest Service, State and Private Forestry. This program leverages federal funds to encourage the protection of privately owned forest lands through conservation easements or land purchases. Protection of private forests maintains clean and abundant drinking water, habitat for fish and wildlife, production of forest products, and access to recreation. The proposed enhancement would re-class and provide matching general funds for the program coordinator position.

Staffing impact: Establishment of six positions and 6.00 FTE.

Quantifying results: Success will primarily be measured in terms of completion of supporting actions that are identified in the Climate Change and Carbon Plan. This includes development and implementation of a climate change assessment framework, which will help guide the consideration of climate change and environmental justice in agency rule-making, policy development, and other decision-making processes. These investments also support implementation of Executive Orders and agency plans through program development and community engagement. Quantification of results will be consistent with agency plans and statewide policy guidance including increasing sequestration of greenhouse gasses as monitored by long standing scientific methods, installation of the vehicle charging infrastructure, and

assistance provided to landowners and forest managers, both urban and wildland.

Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$1,388,578		
Other Funds	\$0		
Federal Funds	\$374,870		
All Funds	\$1,763,488		
Position/FTE:	6/6.00		

Package 102-Emergency Response and Life Safety

Purpose: The Emergency and Life Safety POP includes added capacity and investments in the department's smoke detection camera systems and radio communications repeater network. These investments will continue the ongoing investments in support of SB762 as well a continuation of the department's progress of implementing its Automated Vehicle Location initiated during the 2021-23 biennium.

How achieved: All Agency Administration costs are prorated among operating programs, based on a prorate process. In the Forest Resources program, this package provides funding to pay internal assessments for costs associated with the package in the Agency Administration program.

Staffing impact: None.

Revenue source: The Forest Resources expenditure portion of this package is 100 percent General Fund. (The Other Funds portion is budgeted as a revenue transfer, not as an expenditure.)

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$49,349		
Other Funds	\$0		
Federal Funds	\$0		
All Funds	\$49,349		
Position/FTE:	0/0.00		

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Package 103-Document Management System Preparation

Purpose: The purpose of this package is to provide for appropriate staff support for a future agency-wide implementation of a public records management system, as recommended by the 2021 MGO report. Currently the department’s information technology maturity model does not lend itself to the wholesale implementation of a document and records management technology solution, however, it can benefit from increasing its awareness and proposed strategy in addressing the challenges as outlined by the MGO recommendation. This proposal seeks to add permanent position to get a broad understanding of the primary bodies of records in the department’s custody, the retention periods for those records, and any potential storage or access challenges associated with those records. This pre-work would be necessary to build an effective procedure for the department that would promote consistent retention, archiving, and destruction of records across the department, ultimately allowing for the implementation of a holistic record management system.

How achieved: All Agency Administration costs are prorated among operating programs, based on a prorated process. In the Forest Resources program, this package provides funding to pay internal assessments for costs associated with the package in the Agency Administration program.

Staffing impact: None.

Revenue source: The Forest Resources expenditure portion of this package is 100 percent General Fund. (The Other Funds portion is budgeted as a revenue transfer, not as an expenditure.)

	<u>Agency Request</u>	<u>Governor’s</u>	<u>Legislatively</u>
	<u>Budget</u>	<u>Budget</u>	<u>Adopted Budget</u>
General Fund	\$46,285		
Other Funds	\$0		
Federal Funds	\$0		
All Funds	\$46,285		
Position/FTE:	0/0.00		

Package 104-Planning Branch Capacity

Purpose: The purpose of the Planning Branch Capacity program enhancement package is to provide management support and additional subject matter

expertise to the Planning Branch, which is a new program emerging from a department-wide reorganization implemented in the fall of 2021.

How achieved: This package shifts one position from Forest Resources to the Planning Branch. As one of the operating programs which support the Agency Admin program, this package increases General Fund costs in the Forest Resources program.

Staffing impact: This package shifts one position from Forest Resources to the Planning Branch.

Revenue source: The Forest Resources expenditure portion of this package is 100 percent General Fund. (The Other Funds portion is budgeted as a revenue transfer, not as an expenditure.)

	<u>Agency Request</u>	<u>Governor’s</u>	<u>Legislatively</u>
	<u>Budget</u>	<u>Budget</u>	<u>Adopted Budget</u>
General Fund	(\$52,478)		
Other Funds	\$0		
Federal Funds	(\$94,803)		
All Funds	(\$147,281)		
Position/FTE:	(1)/(1.00)		

Package 105-Federal Partnerships Support

Purpose: The purpose of the Federal Partnerships Support program enhancement package is to establish permanent federally funded position authority for existing limited duration positions that support partnerships with federal agencies. The department has a long history of partnership with the USDA Forest Service State and Private Forestry (S&PF) and the Natural Resources Conservation Service (NRCS). Through multiple grants and agreements, MOU’s, and other contractual mechanisms, the department assists these agencies with the delivery of technical and financial assistance programs, primarily for non-industrial private forest (NIPF) landowners. These are long-standing partnerships (10+ years) with a track record of continued financial support. The department also provides support to landowners participating in the USDA Farm Service Agency (FSA) Emergency Forest Restoration Program. Given recent wildfire impacts to NIPF landowners, the department’s engagement in this program has become consistent over the past five years.

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The department’s federal partners leverage our staff resources, forestry expertise, and landowner relationships to help deliver their programs which complement state programs and provide benefits to all Oregonians. While some of this federal funding has supplemented existing permanent (primarily general fund) positions, the department has largely used limited duration positions to meet this need. Given the level of sustained investment over the past decade, and continued increases in demand by our federal partners, a clearly sustainable body of work has developed. The department seeks to make these federally funded limited duration positions permanent, signaling to our partners and staff a substantial commitment to this body of work.

How achieved: The proposed enhancement would create permanent federally funded positions and is built around existing limited duration positions with a track record of sustained funding and commitment of need from our federal partners. Most of these positions are currently classed at the Natural Resources Specialist 2 (NRS) level, though some are classed NRS1. The department intends to make them all NRS2. Federally funded agreements account for all of these positions.

Staffing impact: Establishment of ten positions and 10.00 FTE.

Quantifying results: The agency will continue to track results and outcomes from these positions as they move from limited duration to permanent. This will include, but not be limited to, number of acres treated, number of landowners assisted, number of grant types implemented, etc. The agency will also be developing a dashboard for quantifying outputs from a range of grant programs, including these, and results from these positions will be included in that dashboard. We also expect these federal funding opportunities to continue to grow with successful implementation and will track financial commitments to this work.

Revenue source: The requested positions are federally-funded, with the exception of S&S, for which the department seeks a 50/50 match with general fund. The general fund mix will facilitate meeting some grant match requirements and also enable the purchase of certain support resources (i.e., computers and field gear) that are not eligible expenses through many federal grants. The department also seeks general funds for the purchase of six vehicles to support these positions. All positions require staff to travel to field sites. To date, this corps has completed work with surplus vehicles, which are beginning to reach the end of their useful life.

	<u>Agency Request Budget</u>	<u>Governor’s Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$450,000		
Other Funds	\$0		
Federal Funds	\$2,201,431		
All Funds	\$2,651,431		
Position/FTE:	10/10.00		

Package 106-Private Forests Accord Development

Purpose: After mediated meetings over an 18-month period, representatives from the timber industry and conservation organizations agreed to modify Oregon’s forest practice laws and regulations to draft a Habitat Conservation Plan. Collectively, these agreements are known as the Private Forest Accord (PFA). Since these agreements, SB1501 was introduced and amended in the 2022 Legislative Session. SB1501 directs ODF to adopt by rule a Small Forestland Owner Investment in Stream Habitat Program (SFISH) and an Adaptive Management Program.

The purpose of the SFISH program is to provide grants to small forestland owners to fund projects that result in environmental benefits to fish or mitigate risks to natural resources arising from the construction, operation or maintenance of forest roads or related activities.

The Adaptive Management Program will rely on an Adaptive Management Program Committee (AMPC) and Independent Research and Science Team (IRST). The AMPC will consist of 10 voting members from clearly defined stakeholder groups, serve as an advisory committee to the Board of Forestry, and will set priorities for IRST. The IRST will serve as an advisory committee to the Board of Forestry and lead research projects prioritized by the AMPC. This policy option package provides the necessary funding to support these program elements, and additional investment in Services and Supplies (S&S) for positions associated with SB 1501.

How achieved: This package would fully fund the programs. This package would establish funding (\$17,314,273 total) for the SFISH Program, Adaptive Management Program, and position Services and Supplies. \$10,000,000 for the SFISH Program per biennium to be continuously appropriated to the State Forestry Department to be distributed by the Small

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Forest Owner Assistance Office (SFO) as grants under the SFISH program. \$6,000,000 per biennium for the Adaptive Management Program Committee (AMPC) and the Independent Research and Science Team (IRST) to be continuously appropriated. Most funds will be distributed to IRST to conduct research and monitoring projects requested by AMPC. Additionally, funds may be distributed to organizations represented by AMPC and IRST voting members through participation grants as described in SB1501-1 (Sect. 36 and 38).

\$1,314,273 services and supplies to be added to the department's budget to fully support positions allocated with SB1501. This is intended to be recurring funding added to existing service and supply amounts.

Staffing impact: None.

Quantifying results: In line with the PFA Report, The SFISH Program will be managed by the Small Forestland Owner (SFO) Assistance Office, in consultation with ODFW. State funding will be provided to qualified small forestland owners. An outreach program through the Partnership for Forestry Education will be developed to inform SFOs about the SFISH Program. The SFO Assistance Office, in consultation with ODFW, will track projects that may qualify for state funding. To optimize state funding, the Assistance Office, in coordination with ODFW, will prioritize funding projects. Coordination and data sharing with other state agencies may be necessary to determine project prioritization. All completed SFISH projects will be annually reported by ODF with cost and miles of streams improved.

The adaptive management program will consist of the Adaptive Management Program Committee that will set research priorities and the Independent Research and Science Team will oversee the research. Administration of the Adaptive Management Program Committee (AMPC) will be led by a program administrator. This position will be a neutral facilitator whose primary program function is to assist forward progress of the adaptive management process in a timely manner and provide the Board with an annual report about program budgets and schedule. Reports from the Independent Research and Science Team (IRST) will be submitted to the Board for consideration along with a report on alternative options for possible rule changes from the AMPC. Fixed

timeframes will be developed for all AMPC and IRST process stages to avoid procedural delays in the decision-making process.

Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$17,524,273		
Other Funds	\$140,000		
Federal Funds	\$0		
All Funds	\$17,664,273		
Position/FTE:	0/0.00		

Package 107-SB 762 Continuing Investments

Purpose: The Oregon Department of Forestry (ODF) has been directed by SB 762 to implement a treatment program to reduce wildfire risk on public and private forestlands and rangelands, and in communities near homes and critical infrastructure, through restoration of landscape resiliency and reduction of hazardous fuels. ODF has consulted and cooperated with multiple partners including Oregon State University Extension, state and federal agencies, counties, cities, other units of local government, Indian tribes, public and private forestland and rangeland owners, forest collaboratives, and other relevant community organizations to select projects for treatment. Additional directives from the legislature and Governor's Office have made it clear that forest restoration and resiliency are key parts of the fire risk issues facing the state. ODF's effort to reduce fuel hazards in the forest is key to protecting lives and livelihoods as well as the states natural resources. A stable funding source to increase forest resiliency to fire, climate change, insects, and diseases is imperative. The Governor's Council on Wildfire Response highlighted that there are 5.6 million acres in need of restoration and fuels reduction. The cost to cover all these acres has been estimated at \$4 billion over 20 years (a cost of \$400 million per biennium). Additionally, scientific literature indicates that the state will see increasing complexity and severity of fire seasons and events due to climate change. Increasing the state's forests resilience to climate change is a key and important action to both reduce and avoid greenhouse gas emissions from fire.

The solution is to make permanent ODF's capacity to support partner organizations and agency staff in identifying, planning and developing strategic

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landscape resiliency and small forestland fuel reduction projects, increasing submitted project alignment with climate resilient forestry, including informing project prioritization criteria as well as reporting on active projects. These positions will improve technical support to partners, landowners and sister agencies and better positions ODF to incorporate and respond to DEI considerations within and across Oregon communities.

SB 762 modified ORS 477.490, and requires ODF to issue notice to property owners in high and extreme wildfire risk areas. These notices are issued statewide, regardless of protection status of ODF. It is anticipated that an update will be completed of the map during the 23-25 biennium. This legislative mandate is not funded by ODF’s current service level budget.

How achieved: SB 762 provided a limited duration AS2 to support the Landscape Resiliency Program. The Program needs the support of a permanent AS2 position to assist with the long-term program tracking, coordinating, monitoring financial aspects and field accomplishments at the state level. This request makes this limited duration AS2 permanent. SB 762 provided one limited duration NRS3 for the implementation of SB 762 grant programs and expand the statewide coordination across multiple funding sources and programs. This request would make this limited duration position permanent. In addition to supporting the SB 762 program, it is imperative to build consensus both internally and externally, monitor general fund and federal fund programs and meet expectations from the legislature and partners with a multitude of diverse interests. This position will provide strategic planning support to better coordinate among state, private, local and federal entities, focus on developing comprehensive cross boundary landscape scale projects that include multiple landowners and interests and reach the vision of Shared Stewardship in Oregon. This position will also inform and assist with the implementation of the 20-year strategic plan that is currently being developed.

To meet the new requirements of ORS 477.490, adopted during the 2021 legislative session, the department estimates notifications will be issued to 450,000 property owners. The request will be utilized to pay for printing, material, and postage expenses. To increase the communicability of the statewide wildfire risk map required under ORS 477.490, ODF will develop a story board for the wildfire risk map and translation of that storyboard into Spanish. A contractor will be hired to for development and translation services.

Staffing impact: Establishment of two positions and 2.00 FTE.

Quantifying results: Program monitoring is established in SB762 and is required for each grant award for project managers to report and third-party monitoring assessing the success of the whole program by the Ecosystem Workforce Program. ODF has tasked the Ecosystem Workforce Program (EWP) at the University of Oregon (UO) to devise a plan for monitoring investments and outcomes of the LRP.

The goal of this monitoring plan is to assess whether and how the LRP has fulfilled its mandate to “reduce wildfire risk through restoration of landscape resiliency and the reduction of hazardous fuel on public or private forestlands and rangelands and in communities near homes and critical infrastructure.” This monitoring plan tracks project investments, responds to the requirements included in SB762, and is informed by feedback from the LRP working group and individual project leaders, as well as the team’s expertise in monitoring forest restoration and related work. The monitoring results will be included in the report to the legislature and available to our partners and the public at large. The positions above are integral to planning, evaluating and monitoring activities and ensuring that the implementation timeline is met.

Nearly 10% of Oregon’s population is Spanish speaking. Translation of the wildfire risk map required under ORS 477.490 will increase the communicability of wildfire risk, as well as information regarding resources available related to that risk.

Revenue source:

	<u>Agency Request</u> <u>Budget</u>	<u>Governor’s</u> <u>Budget</u>	<u>Legislatively</u> <u>Adopted Budget</u>
General Fund	\$1,160,860		
Other Funds	\$0		
Federal Funds	\$0		
All Funds	\$1,160,860		
Position/FTE:	2/2.00		

Package 108-FFR Program Infrastructure

Purpose: Since 2013, Oregon Department of Forestry’s (ODF) Federal Forest Restoration (FFR) Program has worked closely with federal agencies and local

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forest collaboratives to restore and maintain the resilience of the 60% of Oregon's forestland under federal ownership. Based on a report issued by the Governor's Council on Wildfire Response (GCWR), there are 5.6 million acres in urgent need of thinning, prescribed fire, or other restoration treatment to alter fire behavior and reduce the risk of stand replacing wildfire. Of the 5.6 million acres at high risk, 65% are located on the federal lands and over the past three decades over 90% of all acres burned have been on Oregon's federal lands. Senate bill 762 and the additional resources ODF received in the 2021 Regular Session have brought us part of the way toward addressing wildfire risk on the federal forests in Oregon, but more ODF staff are needed to prepare and administer contracts and expand the program's scope proportional to the need.

Building off the support of the Oregon Legislature in this work, the Infrastructure Investment and Jobs Act (IIJA) recently passed by Congress, looks to significantly expand investments in the Nation's forests by focusing on reducing the risk of uncharacteristic, stand replacing wildfire events by conducting proactive management activities. Provisions of the IIJA call on the federal agencies (USDA Forest Service and DOI Bureau of Land Management) to expand their partnerships with state & local governments, tribes, NGOs, and others to accomplish ecosystem restoration and wildfire risk reduction. Specifically, the 'ecosystem restoration' section of the law (sec. 40804) allocates \$200 million "...to provide to States and Indian Tribes for implementing restoration projects on Federal land pursuant to good neighbor agreements...".

These unprecedented federal investments in the IIJA (through 9/30/2026) in restoration work under Good Neighbor Authority (GNA) will require ODF to further expand its workforce. By 2026, there will be sufficient GNA timber sale revenue or other federal fund sources to sustain this expanded workforce.

This package also contributes to Executive Order 20-04 and the goals in ODF's Climate Change and Carbon Plan (CCCP) to, "Accelerate the pace, scale, and quality of climate appropriate forest restoration". Improving the ecological resiliency of our federal forests presents a powerful climate change mitigation tool by reducing instances of stand replacing wildfire, but also storing CO₂ in long-lived wood products.

In less wildfire prone areas, forest restoration and management are still needed; providing benefits of improved fish and wildlife habitat, improved watershed conditions, and enhanced recreation and other social benefits for both rural and urban communities. An increase in forest restoration, stewardship, and management that would result from this package will provide important ecosystem, economic, and social benefits for Oregonians, and will have positive impacts in rural, forest-dependent communities in which the forest products sector is the primary economic driver for the local economy.

How achieved: To meet the recommendations in the GCWR, the goals of EO 20-04 and ODF's CCCP, and the increased demand on ODF's personnel associated with the Infrastructure Investment and Jobs Act investments, ODF conducted a capacity needs assessment to determine what was necessary to scale up its restoration work. This capacity needs assessment is the basis of this package, which is designed to build off the existing FFR Program structure.

The proposal described below will have a minimal impact to the General Fund (GF) appropriation for the 2023-25 biennium even though it adds 17 FTE to the FFR Program. This is achieved through existing position fund distribution shifts and is made possible by Federal Funds (IIJA, other congressional appropriations, federal trust funds) and available Other Funds (GNA timber sale revenue).

Staffing impact: Establishment of eighteen positions and 17.09 FTE.

Quantifying results: ODF will continue its robust third-party monitoring that has been a part of the FFR Program since its inception in 2013. The previous work will allow ODF to gauge results in this program against a 2012 baseline. Examples of previous monitoring results are below:

Economic

- Increased timber supply measured as number of sales and volume sold for planned and complete timber sales
- Average annual Gross Regional Product (GRP) and jobs supported; generated as a derivative of active forest management and watershed health projects

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Ecological

- Increased size, diversity and/or complexity of collaboratively developed projects
- Increase in NEPA-ready acres and amount of contracted NEPA Categorical Exclusions (CE) projects
- Increased number of acres and watershed health projects completed

Social

- Increased diversity in collaborative participation and support
- Reduction in appeals/litigation related to collaboratively developed projects

Revenue source:

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$622,353		
Other Funds	\$6,611,840		
Federal Funds	\$1,665,946		
All Funds	\$8,900,139		
Position/FTE:	18/17.09		

Package 109-Facility Management Capacity

Purpose: Last biennium, the department's Facility Capital Management Program was given two Limited Duration positions to help facilitate various capital construction/improvement and deferred maintenance projects throughout the organization. This capacity has proven critical in furthering the department's efforts on addressing holistic infrastructure improvements across all districts as well as addressing the expected and unexpected capital construction projects. This proposal seeks to shift those existing limited duration positions to permanent.

How achieved: All Agency Administration costs are prorated among operating programs, based on a prorate process. In the Forest Resources program this package provides funding to pay internal assessments for costs associated with the package in the Agency Administration program.

Staffing impact: None.

Revenue source: The Forest Resources expenditure portion of this package is 100 percent General Fund. (The Other Funds portion is budgeted as a revenue transfer, not as an expenditure.)

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$138,856		
Other Funds	\$0		
Federal Funds	\$0		
All Funds	\$138,856		
Position/FTE:	0/0.00		

Package 116-State Forester's Office Building Renovation

Purpose: Designed by U.S. Forest Service architect Linn A. Forrest, the State Forester's Office Building (SFOB) was constructed in 1935 under the auspices of the Works Progress Administration (WPA) to house the department following the Capitol Building fire and was listed on the National Register of Historic Places in 1982. Since that time, the SFOB has housed department staff in various capacities and in the nearly 90 years of use has acquired a backlog of both deferred maintenance and other infrastructure improvements (including earthquake and flood mitigation) that aim to renew both the building and its systems.

How achieved: All Agency Administration costs are prorated among operating programs, based on a prorate process. In the Forest Resources program, this package provides funding to pay internal assessments for costs associated with the package in the Agency Administration program.

Staffing impact: None.

Revenue source: The Forest Resources expenditure portion of this package is 100 percent General Fund. (The Other Funds portion is budgeted as a revenue transfer, not as an expenditure.)

	<u>Agency Request Budget</u>	<u>Governor's Budget</u>	<u>Legislatively Adopted Budget</u>
General Fund	\$49,625		
Other Funds	\$0		
Federal Funds	\$0		
All Funds	\$49,625		
Position/FTE:	0/0.00		

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Detail of Revenue 107BF07

Source	Fund	ORBITS Revenue Acct	2019-2021 Actuals	2021-23 Legislatively Adopted	2021-23 Estimated	2023-25 Agency Request	2023-25 Governor's	2023-25 Legislatively Adopted
Charges for Services	3400	0410	\$796,567	\$2,540,559	\$2,540,559	\$2,549,819		
Admin and Service Charges	3400	0415	\$1,107	\$0	\$0	\$0		
Rents and Royalties	3400	0510	\$47,100	\$0	\$0	\$0		
Interest Income	3400	0605	\$26,405	\$0	\$0	\$0		
Sales Income	3400	0705	\$367,236	\$469,970	\$469,970	\$469,970		
Donations	3400	0905	\$0	\$320,298	\$320,298	\$320,298		
Loan Repayment	3400	0925	\$81,873	\$1,673,741	\$1,673,741	\$1,758,119		
Other Revenues	3400	0975	\$1,846	\$0	\$0	\$7,808,743		
Federal Funds	6400	0995	\$9,191,230	\$14,640,000	\$14,640,000	\$26,625,472		
Transfer In-Intrafund	3400	1010	\$295,161	\$30,400	\$30,400	\$2,628,392		
Tsfr From Revenue, Dept of	3400	1150	\$9,856,604	\$21,655,057	\$21,655,057	\$34,166,688		