

Agenda Item No:	F
Title:	Board Chair Letter to Joint Committee on Ways and Means Regarding Fire Protection Budgets
Date of Presentation:	June 7, 2023
Contact Information:	Cal Mukumoto, State Forester 503-689-6884; Cal.T.Mukumoto@odf.oregon.gov

SUMMARY

On May 2, 2023, Board of Forestry Chair Jim Kelly sent a letter to the Co-Chairs of the Joint Committee on Ways and Means providing information about impacts to landowners from increases to forest patrol assessment rates. The intent of the letter was to provide context around concerns coming from the Oregon Department of Forestry’s Forest Protection Districts related to increased costs as a landowner rate offset provided by Senate Bill 762 (2021) phases out. This information is important as the Joint Committee on Ways and Means considers state agency budgets. The letter is attached for awareness to other Board members.

ATTACHMENTS

- 1) Board Chair Letter to Joint Committee on Ways & Means



Oregon

Tina Kotek, Governor

Oregon Board of Forestry

2600 State St

Salem, OR 97310-0340

503-945-7200

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May 2, 2023

Sen. Elizabeth Steiner, Co-Chair
Rep. Tawna Sanchez, Co-Chair
Joint Committee on Ways and Means
900 Court St. NE, H-178
Salem, OR 97301

Dear Co-Chairs:

The Oregon Board of Forestry is the approval authority for the annual forest protection district budgets. As the topic of a potential landowner rate offset is directly connected to those budgets and the provision of an adequate level of fire protection, I wanted to provide the committee with some background information to help inform your upcoming discussions.

Under Senate Bill 762 (2021), the Oregon Department of Forestry was directed to increase its wildfire readiness and response capacity, including increases to fire suppression response personnel, aviation assets, fireline leadership and necessary administrative support personnel. To avoid a significant and sudden increase to protection costs for landowners, the Legislature included a one-time rate subsidy of \$15 million as part of SB 762.


The department's Agency Request Budget for the 2023-25 biennium included a policy option package requesting another one-time rate subsidy of \$14 million in recognition that a long-term fire funding fix has not yet been addressed. Ultimately, this POP was not included in the Governor's Budget. Please note, the offset does not directly impact the department's ability to provide an adequate level of protection as directed by statute. The lack of the offset does, however, mean many Oregonians are looking at dramatic increases to their forest patrol assessment rates for the coming year. Increases in some parts of the state are in excess of 40%. This is especially critical in drier parts of the state where these increases create a disincentive for landowners to own marginal rangeland and forestland and to maintain them as working lands. I am one of those owners. Ownership of much of these lands has already shifted to wealthy owners more interested in hunting and recreation than keeping them as working lands. Not addressing these increases will only increase that trend.

Fixing this situation is admittedly a band-aid, but a necessary one. What Oregon really needs is for the legislature to pass a "big fix" to our fire-funding system. That fix is sorely needed – thanks to the not-so-new normal of fire activity and intensity we have been experiencing for over a decade now. Much attention has been paid to the large fire funding structure in recent years due to its role in the department's financial issues that reached a breaking point in 2019.

However, what we have learned while trying to fix those problems is that changes to any aspect of the fire funding system must be considered in the context of the whole.

As the Chair of the Board of Forestry, I strongly encourage the Legislature to support a broad effort to identify solutions for a new way of paying for wildfire in Oregon. That support begins with another short-term funding solution for many Oregonians that pay for wildfire protection at the base level. Our state needs an adaptable, sustainable, and equitably representative funding structure to protect the health and safety of all Oregonians into the future and the Board of Forestry stands ready to support those efforts.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Kelly". The signature is fluid and cursive, with the first name "Jim" and last name "Kelly" clearly distinguishable.

Jim Kelly, Chair
Oregon Board of Forestry

Cc: Cal Mukumoto, State Forester
Doug Grafe, Governor's Office
Geoff Huntington, Governor's Office
Board of Forestry Members