

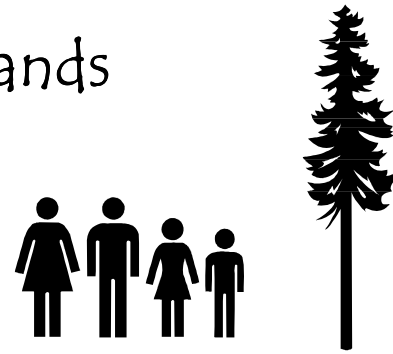
# Committee for Family Forestlands

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## **Committee for Family Forestlands (CFF) Response to Department of Forestry's 2009-11 Budget Reduction Plan January 16, 2009**

### **INTRODUCTION**

The Committee for Family Forestlands (CFF) advises the State Forester and the Oregon Board of Forestry on issues relevant to family forestland owners in the state. The CFF appreciates the challenges faced by the Oregon Department of Forestry (ODF) and Board of Forestry and the Governor and Legislature in these turbulent economic times. However, the CFF is also concerned that solutions to the near-term budget crisis at a minimum do not diminish and at best enhance Oregon's long-term goals.

Family forestlands play a vital role in Oregon's ability to meet our community, environmental and economic goals. These family forests are working forests managed for a variety of public and private values. Protection from wildfire, regulation of forest practices and forestry assistance are key issues for these landowners, and providing these services is a statutory mandate for the ODF Private Forests Program. In addition, credible administration of the Oregon Forest Practices Act, a state regulatory program, is essential to ensure the maintenance of a social license for practicing forestry, which is critical to the viability of private forestland ownership.

Funding these services in Oregon has, historically, been a responsibility shared by the public at large and private landowners. This history of shared responsibility for funding forestry programs roughly reflects of the mix of public and private values that are derived from privately owned forests. Reductions in public funding of these programs can result in a disincentive to own and manage private forestlands in Oregon and are of utmost concern to the CFF.

The CFF is specifically concerned that-- at the level of budget reductions for the Private Forests and Fire Protection Programs suggested in the Department response to Governor and Legislative direction -- Oregon state government can no longer uphold its end of shared responsibility for these programs. We find that unacceptable. What follows is a summary of our response to the current recommendations regarding budget reductions in forestry.

## SITUATION

Due to the Oregon revenue estimates for 2009-11 biennium, the Governor's office directed all state agencies to submit specific 10% General Fund (GF) budget reduction plans in time for development of the Governor's 2009-11 Recommended Budget.

- Oregon Department of Forestry's (ODF) 2009-11 Essential Budget Level includes \$45.6 million total GF, resulting in a reduction of \$4.56 million at the 10% level.
- Most of the Department's GF is located in the Fire and Private Forest Divisions; the General Fund portion in the Agency Administration Program that pays the external State Government Service Charges for the entire agency by direction cannot be reduced

The Department's reduction plan rationale and strategy recognizes that budget reductions in either division would immediately result in a reduction in current service levels:

- A Fire Protection Division reduction would impact initial attack capacity on lands the state is statutorily required to protect.
- A Private Forests Division reduction would affect the ability to administer the Oregon Forest Practices Act, provide landowner assistance, and potentially the ability to fulfill current statutory mandates.

Reducing the amount of resources available across the board, while trying to maintain current service levels, will result in unacceptable performance in both divisions. Concentrating the reductions in a single division makes it necessary to reduce service levels and outputs correspondingly.

Given the significant public safety and natural resource values that may be jeopardized by reducing initial attack resources below current levels for the Fire Protection Division, the agency has applied the Governor's requested 10% budget reduction plan principally to the Private Forests Division. However, the fire militia provided by Private Forests Division employees will be reduced, as a result.

Due to worsening of the Oregon and national economies and passage of ballot measures that have a financial impact on state funds, the Oregon Legislature is now requesting additional agency reduction plans in preparation for the 2009 legislative session, which begins on January 12. This request includes a General Fund reduction plan of up to 20% for the next (2009-11) biennium, in 5% increments.

At this higher level of GF reduction (up to 20%), both the Private Forests and Fire Protection programs would be impacted at both the headquarters and field level. At this point, the Department's approach is to plan the first half of this additional reduction in Private Forests, and the second half in Fire Protection. In Private Forests, a 15% reduction (the initial 10% plus half of a second potential 10%) would reduce ODF's current Salem staff to about a dozen or so positions and program-specific field staff by about 50%. In Salem, ODF would retain limited capacity for civil penalty administration, forest practices field support, and compliance auditing, along with a number of federally funded positions. In the field, ODF would retain only about half of our current Stewardship Forester positions even though Stewardship Foresters are the "legs"

of the Private Forests Program, enforcing the Oregon Forest Practices Act and providing technical management assistance to landowners.

In Fire Protection, a 5% reduction would mean the loss of some Salem staff positions, as well as about two million dollars in General Fund reductions for District offices.

The Department's highest priority will continue to be a focus on employees – the principle here is stated as, "To the greatest extent possible, ODF will seek to retain current employees and the expertise and institutional memory they represent through reassignment, relocation, transfer, or promotion to other positions."

### **CFF Response to ODF Budget Reduction Planning**

Protection from wildfire, regulation of forest practices and forestry assistance are key issues for the landowners represented by the CFF. Providing these services is a statutory mandate for the ODF Private Forests Program. Funding these services is a responsibility historically shared by both the public at large and private landowners. Reductions in public funding of the program are of utmost concern to the CFF and can result in a disincentive to families and individuals to own and manage private forestlands in Oregon.

The CFF commends the Department on its overall approach to the reduction planning process. The Department has been mindful and strategic in developing the reduction plan, and both open and inclusive in communications. Having reviewed and discussed ODF's budget reduction plan, the CFF has developed a number of recommendations to help the Department of Forestry and the Board of Forestry move forward with further planning and implementation of requested General Fund reductions.

The CFF agrees with the decision that forest protection, especially from fire, is the agencies' highest priority and approves the choice of a strategic, rather than across the board, approach to reductions. We also agree with the Department principle of protecting individual employees recognizing that these valued employees are ODF's greatest asset. Well-trained, experienced employees will be needed to help the agency "gear up" again when the state's economy improves.

The CFF is strongly concerned about the severe impacts on the state's ability to deliver services to landowners and to administer the Forest Practice Act (FPA) that will result from the potential reductions to the Private Forests program. These reductions will deplete the principle of shared responsibility, since the lion's share of reduction would come from a public source, the General Fund, and leave private landowners disproportionately supporting remaining program activities. The principle of shared responsibility recognizes the public value of forests in private ownership.

As the Department plans for budget reductions, it should focus on maintaining the core elements of the FPA, which both assures public resource protection and adds value for landowners.

Core elements include:

- Maintaining the federal regulatory nexus, which places responsibility for enforcing federal laws (e.g., clean water act) with the Department
- Assuring reforestation following timber harvest, which is fundamental to maintaining forests as forestland and the social license to practice forestry in Oregon
- Protecting water quality and special resources - critical public values protected by the FPA
- Maintaining stewardship and voluntary compliance partnerships with landowners and operators developed over the 36-year history of the FPA.

The CFF has developed value and principle statements to guide the Department as it makes budget reduction decisions for both Private Forests and Fire Protection Programs.

CFF values include:

- We must keep our eye on the ball by focusing on the key goals of the programs: keeping forests in forestland use; protecting forests from threats of wildfire, insects and diseases; protecting public resources; maintaining the social contract to practice forestry
- We must maintain the ability to respond quickly to increased capacity, recognizing that these proposed budget cuts threaten core functions of ODF and if enacted must be restored as soon as possible.

CFF principles include:

- Minimize the loss of field staff (Stewardship Foresters and fire experts), recognizing that both policy and field capacity are important.
- Strengthen the integrated stewardship model to provide a variety of services for family landowners, and maintain efficiency in delivering those services.
- Maintain a "forward looking" mentality, focusing on what we want to rebuild towards, rather than simply maintaining past program models
- Recognize the strengths of the programs, and look to other state agencies and non-governmental groups that can best complement them.

### **CFF Concerns Responded to by the Private Forests Program Option Package**

Since July, 2008 the Private Forests program option package has been taken off the table and replaced with a 37% General Fund budget cut proposal, in response to a worsening state economy. Prior to the proposed reduction, the CFF expressed concern about the Private Forests Program capacity at the July 2008 Board of Forestry meeting as follows:

*"Due to its concern for the continued reduction in the availability of technical resources to support family forestland owners and the full and consistent implementation of the Forest Practices Act, the CFF reviewed and provided input on the Private Forests program option package for the 2009-11 biennium. ...*

*The CFF strongly supports this program option package (POP) as critical to the success of family forestlands. The POP provides the capacity to continue the move towards voluntary efforts and incentives and away from additional regulation. Components A - Sustainable Forestry in Residential and Wildland/Urban Interface Areas and B - Supporting Family Forestland are particularly critical. Members of the Committee are concerned that dilution of the efforts included in components A and B could lead toward a more regulatory-based approach to meet policy goals.*

*The Private Forests program POP responds to the breadth of the symposium issues (April 2007 family forestland symposium at OSU) and provides a landscape framework that demonstrates the interconnectivity of the issues."*

The CFF remains concerned about the capacity of the Private Forests Program and believes even in these trying budgetary circumstances that Oregon must move forward to enhance the viability of family forest lands.

The CFF advises the Department to take advantage of strategies we have developed based on concerns from the Family Forestland Symposium 2007 as the Department and Board design and implement forward-looking plans for reductions. During this period of change, the Department needs to focus on the public values associated with family forestlands. Family forest lands are primarily located in the urban-rural interface zones where Oregonians live, work and play. These lands tend to be proximate to streams and rivers, playing critical watershed health functions. These lands tend to provide connectivity to more extensive private forest lands and more extensive public forest and conservation lands. Family forest lands also are working forests that respond to markets for a variety of commercial products. So, during this period of change, we must be mindful of the short and long term impacts of policy and program changes that negatively impact the ability of private forest landowners to keep these lands in forests. Specifically;

- Develop financial incentives (cost-share programs, others) for maintaining and enhancing environmental values and services. Create a "green credit" forest fund to pay for conservation easements on working family forestlands
- Train foresters who interact with family forestland owners to talk to them about the Ties to the Land family succession planning program, now a formal part of OSU's Austin Family Business Program. Use the Ties to the Land Initiative to engage landowners not being reached by any forestry stewardship programs.
- Enact tax credits for keeping land in forest.
- Improve Oregon's land-use planning process to increase private flexibility while retaining public value.
- Position ODF to capitalize on other public initiatives, i.e. federal programs in state & private forestry, forest land conservation, woody biomass energy, and other private and

nonprofit initiatives, i.e. new markets for sustainable forest products, carbon markets, conservation easements, development right trusts, etc. and to enable ODF to support family forest land owners to optimize response to such initiatives.

## Summary

The Committee for Family Forestlands recognizes the huge challenges associated with downward projections for the General Fund and the need to economize and prioritize across all state agencies. However, we believe the impact to ODF's Private Forests and Fire Protection Programs that will result from budget cuts requested by the Governor and Legislature is unacceptable. The public can no longer hold up its end of a shared responsibility for these programs with General Fund reductions as high as 37% (proposed in the Private Forests Program). At a time when the pressure to convert private forestlands to residential development and other non-forest uses is growing, we need to develop greater incentives to maintain forestland, not more disincentives. Proposed General Fund reductions to these programs and how that will play out on the ground is moving us in exactly the wrong direction.

We would be happy to meet with you or provide additional information in our roles as Chair and Vice-Chair.

Committee for Family Forestlands



Craig Shinn, Chair



Gary Springer, Vice-Chair