

Committee for Family Forestlands

Minutes

February 15, 2011

A meeting of the Committee for Family Forestlands (CFF) was held in the Santiam Room at the Oregon Department of Forestry's Salem compound.

Committee Members Present:

Mike Cloughesy	Craig Shinn
Sarah Deumling	Sara Leiman
Greg Miller	Rick Barnes
Susan Watkins	Paul Oester

ODF Staff Present:

Peter Daugherty
Jim Cathcart

Guest:

Chris Jarmer
Dillon Sanders

A. Review of Agenda

1. Agenda was reviewed and approved as is. Shinn explained the Forestry Cluster work is not on the agenda and has been postponed to next month.

B. Discussion and Approval of January Minutes

1. Peter explained the status of the January minutes which will be distributed for review and approval at the next meeting.

C. Ongoing Topics Updates

1. Governor's Balanced Budget (GBB) – Handout C1
 - Peter explained the recent Governor's Balanced Budget (GBB), in particular the change in the fire protection funding, 50/50 split, to 55 percent for landowners. The 5 percent General Fund (GF) savings will be redirected to the Private Forests Program to help fund the forest practices activities. The Governor plans to prepare a supplemental budget to restore funds to ODA that have been shifted to fees and funds for forest practices administration. The Governor recognizes the significance of the reductions the Department has taken in the past, and he doesn't want additional reductions to the Department. The downside is he has shifted more costs onto the landowner.
 - The GBB is roughly about 1.2 million in GF and the 40% match would be .8 million in Other Funds or Harvest Tax, which is more than what we currently have today. This roughly equates to approximately 10 stewardship foresters and 1-3 technical specialists. Districts have been asked to look into how they would implement activities/services on the ground using the current fiscal budget process.
 - The current service level reduction of 5 percent will equate to a 15-20% increase. Calculations are made using the Legislative Adopted budget; inflation factors service/supply; adjustments to position costs; PERS; health care; and cost of living increases for the biennium.

(CFF Meeting – Continued)

- ODF Administrative Services costs (GF \$) are prorated by FTE and are being realigned for the first time since 2001 to reflect the increase in fire FTE and decrease in Private Forests (PF) FTE.
- Pending revenue and harvest level forecasts, the Harvest Tax calculations and rates are set after the ODF budget is passed. Peter can work with Satish in providing estimates beforehand and again as forecasts change.
- Dillon Sanders: I'm aware of two initiatives discussed by the Board: 1) combining Fire and Private Forests Program; and 2) a disassociation of Forest Protection Associations with the ODF. Does this budget reflect or impact those two initiatives?
 - Daugherty: I'm unaware of the 2nd initiative and will speak to the first initiative. Looking at the consolidation or creation of a single Forest Protection Division, we talked to the Board and our strategy group, and I think we got a good start on where we can gain some efficiency and some of the questions and principals to address. At this point, I don't think we can move forward with anything realistic for this legislative session. The strategy group has now shifted its focus to the legislative session but will continue looking into developing better ways to organize and deliver services in the field. The new state forester is very interested in looking at the suite of services the Private Forests Program delivers overall and that review should tie into this initiative as well.
- Craig Shinn: This looks very generous (the first pass of the budget) showing 30 increased FTE. I know its smoke and mirrors a little bit, but it sounds like it's not quite as Armageddon as we were anticipating.
- Daugherty: Yes. It's an odd state of affairs considering the program is operating at 65% of what it was when I arrived. Given the situation in state government, this seems to me to indicate the commitment on the Governor's part to natural resources. It's troubling about the landowner cost-share, which both this Committee and the Board of Forestry (BOF) made it very clear that they were not supportive of. Hopefully the Governor will follow through with the supplemental budget and find the money to shift it back to 50/50.
- Dillon Sanders: When you went through the shrinking, some of the bargaining agreements resulted in some mismatches in talents and tasks. Do you see an opportunity to fix some of that? You displaced some experienced stewardship foresters with some less experienced but more seniority people. The bumping, so I was wondering if you're looking at trying to match those talents with tasks.
 - Daugherty: I'm sure the district foresters think about that all the time, but we have not had any non-stewardship foresters bumping stewardship forester positions. We had stewardship foresters bumping stewardship foresters, but I don't think we had any non-stewardship foresters go into the ranks of stewardship foresters.
 - Dillon Sanders : All I can say is my observations were there was a few situations where the bumping resulted in the most experienced people, the

ones with the best academic background, the best experience and type of experience, actually ended up on stimulus funded projects due to the bumping. They were out of the forest practices program when it would have been really nice to have those talents there.

- Daugherty: Yes. That's going to be a challenge, particularly since we've had some retirements as well. The first part of the year we will have to focus on training. It's a lot harder to recruit to the Private Forests Program from within the agency. The expectation is that those will be the first positions cut. There has been a great deal of uncertainty over the last few biennia about the future of the Private Forests Program in general.

2. Status of ODF bills and legislative concepts were reviewed – Handout C2

- Daugherty described the handout and briefly summarized the status of the ODF bills and legislative concepts being reviewed.

Note: Correction to Handout C2 – HB 3109 is being tracked by Private Forests with Cathcart as the lead person not Gary Lettman, Resources Planning.

3. Re-envisioning the CFF; March Consent Agenda – Peter has given the Board of Forestry CFF's request to: 1) add OSWA as an ex-officio member; and 2) re-set the CFF appointment schedule.

4. OSWA 2011 Legislative Priorities – skipped; Jim James absent

5. Update on Legislative Concepts from SB 513 Workgroup

- Cathcart: SB 513 came from the 2009 session and is now done. HB 3109 is the bill that came out of the SB 513 working group's recommendations. HB 3109 was introduced through Representatives Garrett and Senator Devlin, and primarily written by Defenders of Wildlife.
- Cathcart: Recommendations by the workgroup and included in HB 3109:
 - Coordinated review of the state conservation plans by the Governor's Office.
 - Encourages land use planning by counties to maintain and enhance ecosystem services.
 - Create publicly available integrated ecosystem services accounting methods and tools.
 - Allow use of ecosystem service credits to meet state and local government environmental mitigation requirements.
 - State agency conditions for purchasing ecosystem service credits.
- Cathcart: Recommendation by the workgroup but not addressed in HB 3109:
 - State agency authority to sell ecosystem service credits, which is germane to the Department in terms of State Forests selling ecosystem service credits as part of its revenue responsibility to the beneficiaries of State

(CFF Meeting – Continued)

Forests. But the current situation is that there is nothing in the Statute that says State agencies can't sell ecosystem service credits – so State Forests could still pursue selling ecosystem service credits without explicit legislative authorities should it so choose.

- Cathcart: Included in HB 3109 but not recommended by the SB 513 workgroup:
 - Section creating mandatory ecosystem services conditions requirements for implementing state agency duties associated with grants for conservation purposes.
 - Cathcart: Basically, this section of the bill is setting conditions on how the State implements conservation grant programs. One condition in particular is that those investments need to go to protecting the best types of habitats out there before investing in restoration. And if you invest in restoration you have to document that it is going to be some meaningful type of accomplishment.
 - Department programs like the Forest Resource Trust – which currently has a focus on restoration (forestation of agriculture, range, brush or under stocked stands) – could be adversely constrained.
 - Question: Would that include tree planting, thinning, and other things that there might be money for? That would be considered conservation practices? Cathcart reiterated that this was not debated, discussed, or recommended by the SB 513 working group.
- Rick Barnes: When restoration becomes a second tier, the potential for common practices we do all the time, such as replacing fish-bearing culverts, may fall out of the grant program because it's a restoration project. That would be a real unfortunate consequence.

D. Upcoming meeting schedule and topics to be addressed

1. Reviewed Handout D1 (pages 2 and 3) comparing what the Committee wanted to do (bullets under the underlined heading vs. what was done at the meeting under the **Bold** portion of the handout.
2. Scheduling Meetings / Meeting Topics – Topic List
Craig Shinn led a discussion on revising/updating the priorities and topics list outlined in the Committee's meeting minutes from last September. The original source of these topics is from the forward-looking agenda developed as part of the CFF Annual Report to the Board, ongoing topics, and current issues. The Committee's updated list of topics is as follows:
 - Budget and Finance issues facing landowners and the Department of Forestry (**Ongoing**)
 - Reduction / change in service to family forestland owners
 - Increased carrying costs for forestland owners
 - Board of Forestry processes (**March meeting**)

(CFF Meeting – Continued)

- Board decision process
- Input on the Forestry Program for Oregon (FPFO)
- Greatest permanent value discussion
- Update on appeal process for forest classification
- How do we reach those who have not been active participants in family forest discussions?
- Water quality and non-point sources policy, including roads (**HIGH ongoing**)
- Declining forest infrastructure, economic and community development – integrate with Forest Cluster Working Group (**March discussion**)
 - Forest cluster working group. Rex & Jim James coordinate with forest cluster sector. (3 meetings)
- Financial incentives (**Ongoing - Mid-Ground – couple sessions out**)
 - Simplify the process for getting Natural Resource Conservation Service (NRCS) cost-share money. (**Invite Misty Seboldt to a meeting; Private Forests staff – Cathcart – participating on Oregon Technical Advisory Committee (OTAC); State Forest Stewardship Coordinating Committee affirmed as forestry technical subcommittee to OTAC; Uniform Resource Plan and Endorsement System Project building stronger ties with NRCS; similarly with Private Forests role with the Healthy Forest Reserves Program**)
- Social contract to practice forestry (Forest Practices Act)
- Intergenerational transfer – Ties to the Land
 - OREGON FUND – conservation easement
 - Comparative with other states
 - Tools for protecting forest
 - What are the tools available to family forestland?
 - Conversion – keeping family forests in forests, keep working forests working
 - Possible guests: Mary Sisock (Ties to the Land Director), Matt Donegan, Evan Smith
 - Certification – conservation easement / Transferrable Development Rights (TDR)
- Bridging jurisdiction – may become more important with changes in other agencies – bills calling for the consolidation of state natural resource agencies
- Reconnecting Oregonians to forestry (**HIGH**)
 - Formally present/discuss OFRI survey results
- Tax topics and structure (**HIGH**)
 - Tax structure and summary – Clint Bentz
- SB 513 / ecosystem services – (**Ongoing/Keep watch on HB 3109 - Update with legislative tracking**)
- Update on OFRI values and belief survey (**HIGH – Past Due**)
- Implementation of Safe Harbor Agreement (**DONE - but keep an eye on**)

(CFF Meeting – Continued)

- Private Forest Work Plan (BOF) (**Ongoing**)
- Budget coalition output (**Update**)
- ~~OSWA—maintain cooperation (invite J. James to CFF meeting)~~ (**DONE**)
- Climate change and carbon / biomass – BCAP – Tax Credit (**LOW**)
- Eastern Oregon topics ~~Department trying to address disposal of juniper slash. George Ponte and Roje drafted a letter to clarify.~~
 - Slash management fee / management of slash
 - Smoke management fees – paying more to treat slash
- Data relative to family forestland – How is it being collected?
- Spotted owl recovery plan – abandoned sites
- Bald eagles – Implications of delisting. What should happen regarding rules?
- Federal forest relationship
 - Federal advisory group, biomass working group, forest cluster working group; all of these coming together in future federal funding initiatives.
- ODF services in electronic age
 - data entry for FACTS (**HIGH**)
 - electronic notifications
- ~~CFF website~~ (**DONE**)
- Fire Protection Program
 - Forest health and risk – family forestland owners in high risk situation, subject to risk from other choices.
 - Letter to Governor on 50:50 position on wildfire protection costs
 - Adequate funding for preparedness. Question of establishing new protective associations (send out 13 pages to BOF). Structure not important to CFF. Focus on preparedness.

Top 5 to work up on agenda	
Taxes NRCS Intergenerational Transfer Forest Cluster/Economic Dev. OFRI – Reconnecting Oregonians	Declining Forest Infrastructure Intergenerational Transfer Tax Structure NRCS Eastern Oregon forest topic
OFRI Intergenerational Transfer NRCS Eastern Oregon forest topic	Declining Forest Infrastructure Eastern Oregon topic Fire Protection Intergen trans; taxes; business of family forestland ownership
Declining Forest Infrastructure NRCS – Misty Seaboldt Ties to the Land – National focus Eastern Oregon topic Forest Protection Assn	Declining Forest Infrastructure Ties to the Land – Tools Taxes Eastern Oregon topic NRCS How to reach unengaged
50:50 letter Forest Cluster NRCS Taxes / Eastern Oregon	

- E. Data on Family Forestland: Introduction / review on location, goals and objectives, etc. Possible future direction in financial incentives. Carrying cost for family forestlands / change in services. (See Handout E1)
- F. Working Lunch: Direction on incentives and key services – review and discuss approach to Private Forests budget
- Ways to reduce costs:
 - Buy parts of the expertise within agencies and across agencies
 - Reforestation checks by interns
 - Want review by CFF of technical expertise.
 - Reconsideration about delivery of services.
 - People who receive the services – as customer or client. What about the public as a whole?
 - Who’s going to pay?
 - What are the services being provided?
 - How do we fit the landowner?

(CFF Meeting – Continued)

- Bringing in an analytical skill set; expertise in organizational skills, management science.
- Land use laws and interaction.
- Write a letter on the 50:50 split to State Forester and Board. How to get to Governor?
- Keep water quality tracking in the update section.
- Always asking if we are providing useful work?

G. Communication and Other Business

- DEQ Water quality hearings, Greg Miller is not able to monitor these hearings on CFF's behalf.

ADJOURN – Next meeting is scheduled for **March 31, 2011**