



# **Presentation to the Joint Committee on Way & Means Subcommittee on Natural Resources**

**May 2021**

# Agenda

## Day 1:

- *Overview of the department*
- *Fire Protection Division*
- *Federal Forests Restoration Program*

## Day 2:

- *Private Forests Division*
- *State Forests Division*
- *Agency Administration*
- *Governor's Budget*





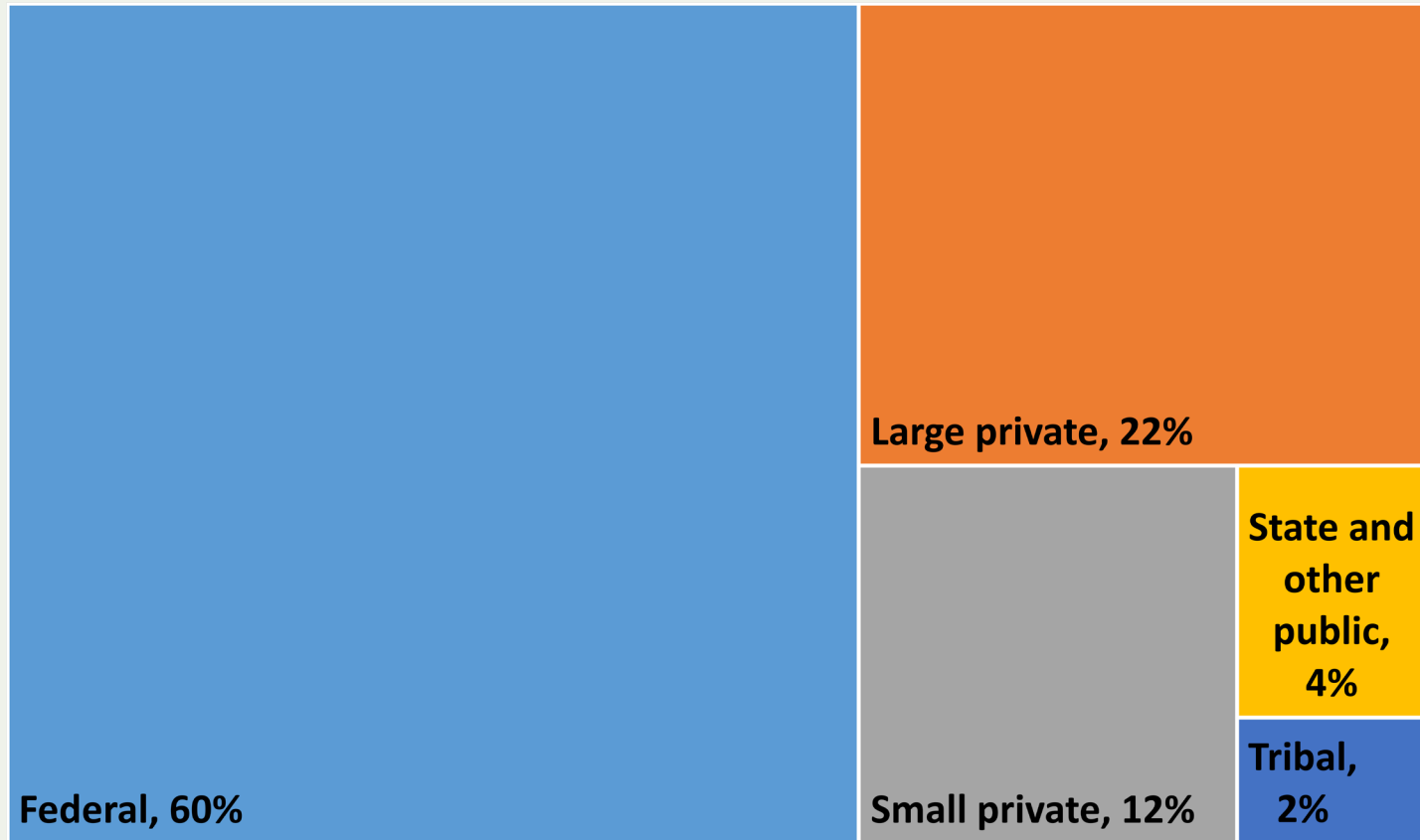
# Mission

**To serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability.**





# Who Owns Oregon's Forests?





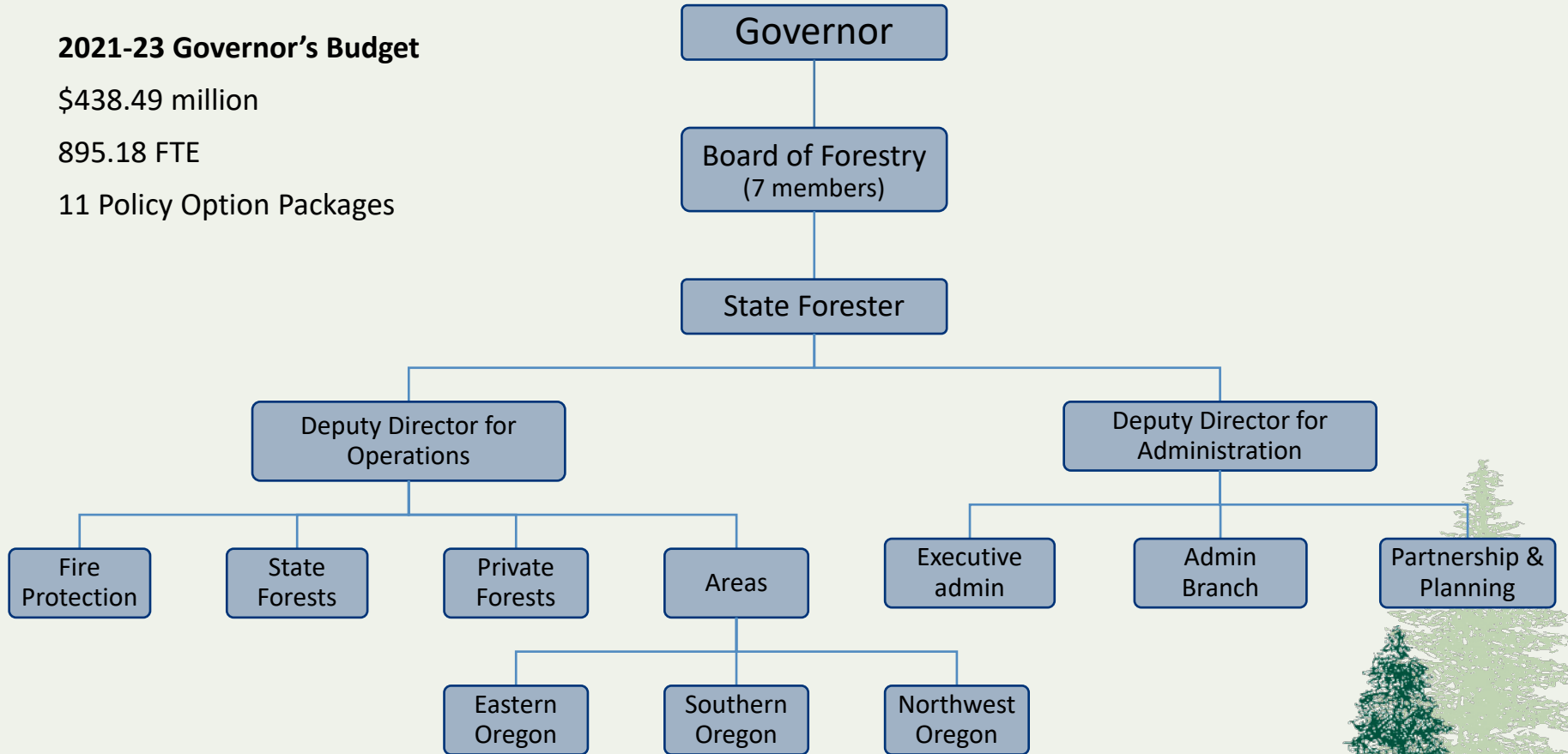
# Organization

## 2021-23 Governor's Budget

\$438.49 million

895.18 FTE

11 Policy Option Packages



# Fire Protection Division





# Federal Forest Restoration



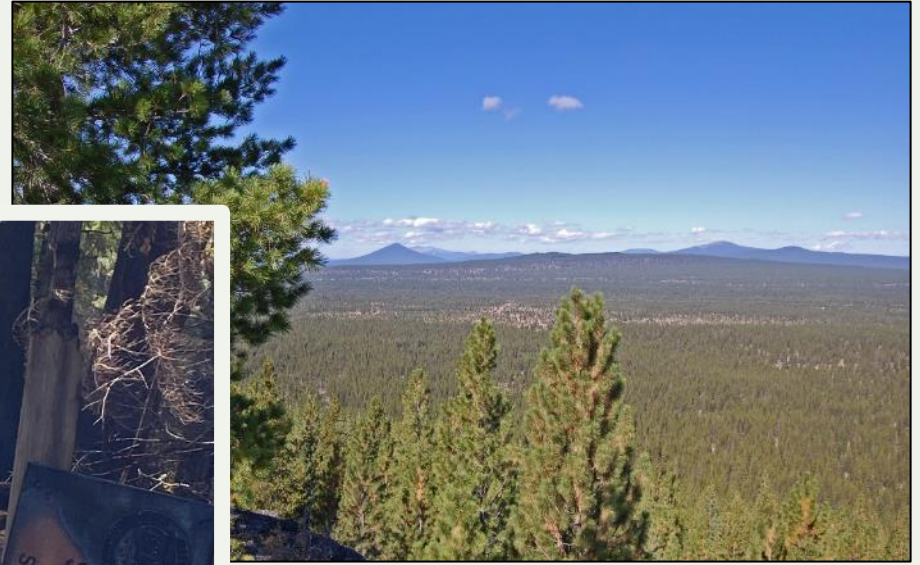


# Private Forests Division





# State Forests Division



# Agency Administration

Provides critical support services to ODF, and the Board of Forestry.

Information technology

Finance

Budget management

Procurement

Partnership & planning

Human resources

Public affairs

Motor pool





# 2019-21 in Review

- Covid-19
- 2020 Labor Day fire event
- Shared Stewardship agreement





# 2021 Fire Season

- 2021 fire season outlook
  - Drought, temperature, precipitation
  - Readiness
- E-Board investments
  - Severity aircraft
  - Fireline leadership
  - Fire finance and safety capacity
  - More months for seasonal firefighters
  - Cross-boundary mitigation projects





# Challenges moving forward

- **Climate change**
- Increasingly complex wildfire environment
  - Large fire funding structure
- **Capacity**
  - Supporting fire protection mission
  - Position management and vacancies
- **Recovery and restoration**
- **Competing interests, priorities**





# Opportunities

- Continuous improvement
  - MGO recommendations
  - Internal processes and systems
- Climate-smart forestry
- Shared Stewardship





# 2020 Key Performance Measures

#	Measure	Target	Actual
1	Customer service to county governments and forest landowners	95%	Overall: 100%
2	Board of Forestry performance	100%	89%
3	Forest Practices Act compliance	100%	No data
4	Urban and community forest management	50%	38%
5	State forests total revenue	2%	9.70%
6	Air quality protection	0	0.002
7	Percentage of private forestland managed under a certified management plan	Private industrial: 90% Private non-industrial: 25%	Private industrial: 69% Private non-industrial: 11%
8	Forest stream water quality	Significantly increasing: 50% Significantly decreasing: 5% Good to excellent condition: 80%	Significantly increasing: 25% Significantly decreasing: 5% Good to excellent condition: 75%
9	Voluntary public and private investments made for salmon and watershed improvements	\$109.25 million	\$107.92 million
10	State forests North Coast habitat	30% complex structure	10.39%
11	Fire suppression effectiveness	98% at 10 acres or less	96.40%
12	Prevention of human-caused wildfires	5.2 thousand OR residents per human-caused wildfire	5.8
13	Damage to Oregon forests from insects, diseases, and other agents	99% of forestlands without significant damage mortality	97.36%

# 2021 Legislative Session

Policy bills with potential fiscal impacts = 29

- Significant = 22
- Minimal = 1
- Not yet determined = 6

Bills with appropriations to ODF = 18







**Questions?**



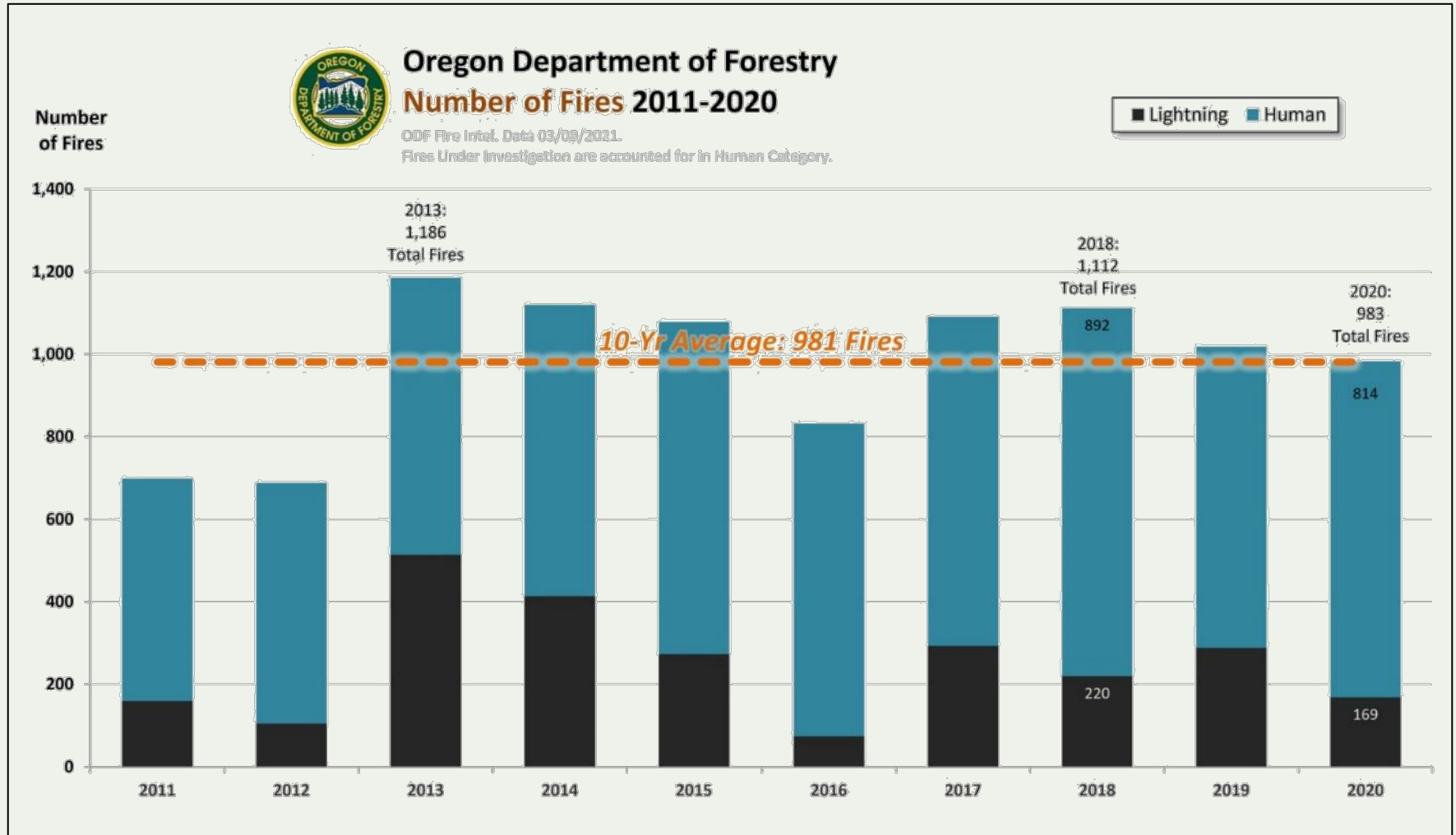
# Fire Protection





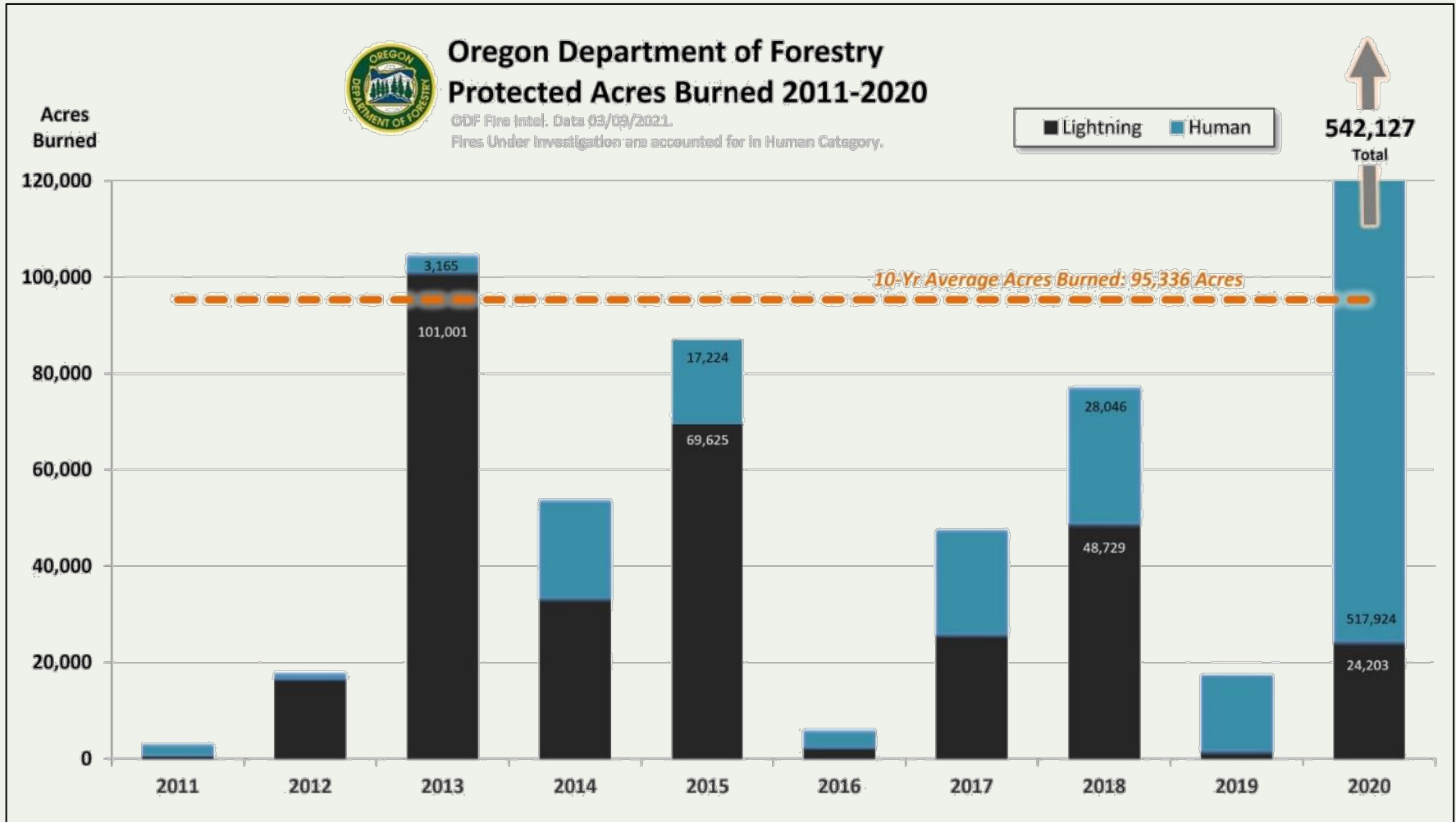


# Number of Fires – ODF Protection



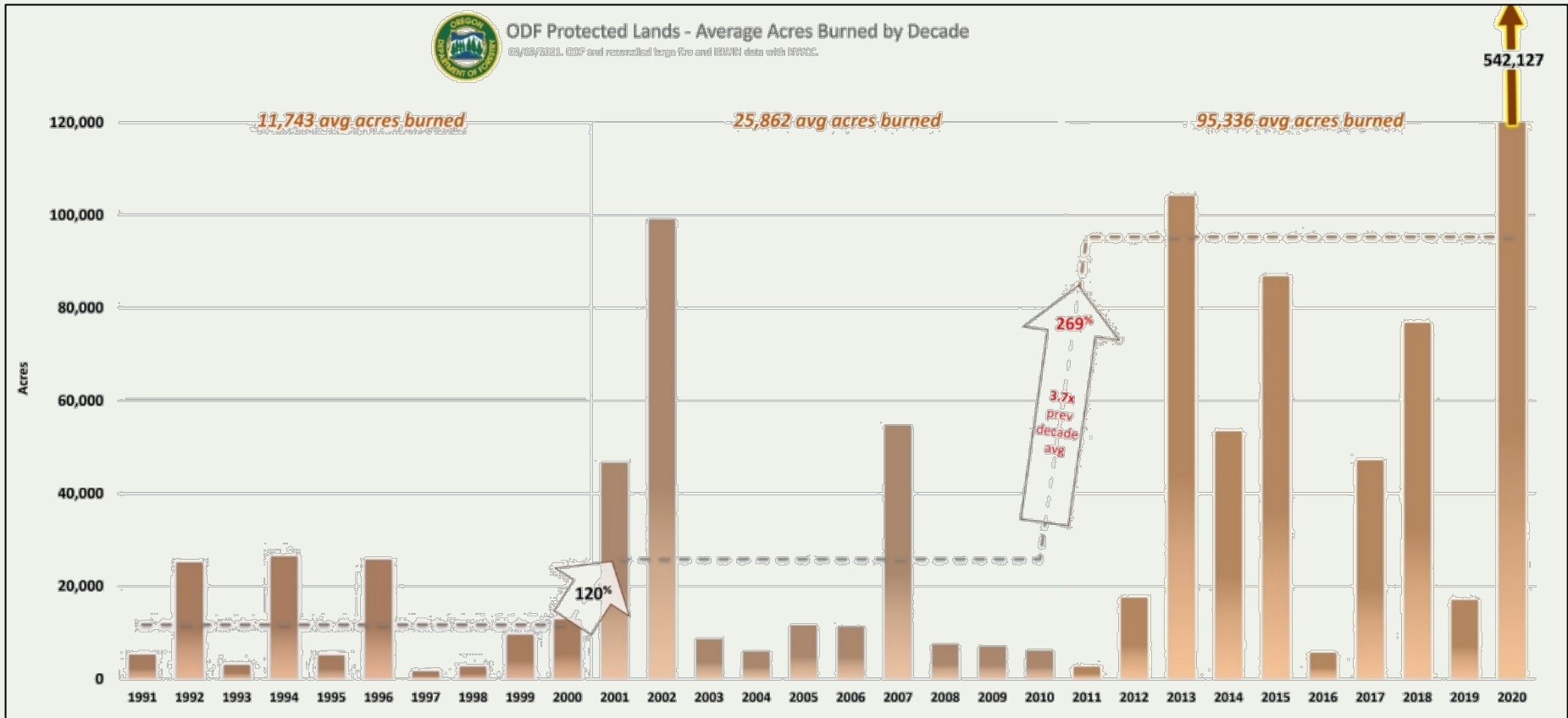


# Acres Burned – ODF Protection



# Acres Burned by Decade

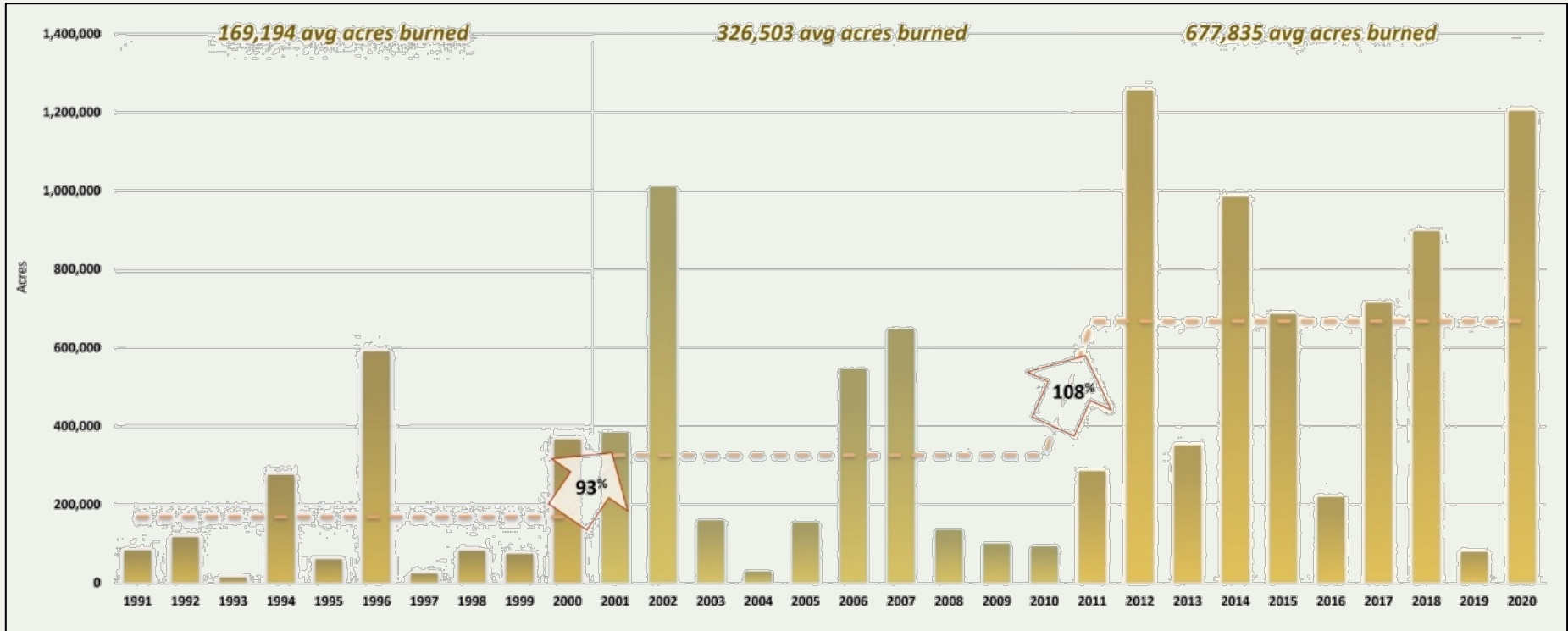
## ODF Protection





# Acres Burned by Decade

## All Jurisdictions















# ODF Large Fire Costs, 2001-2010

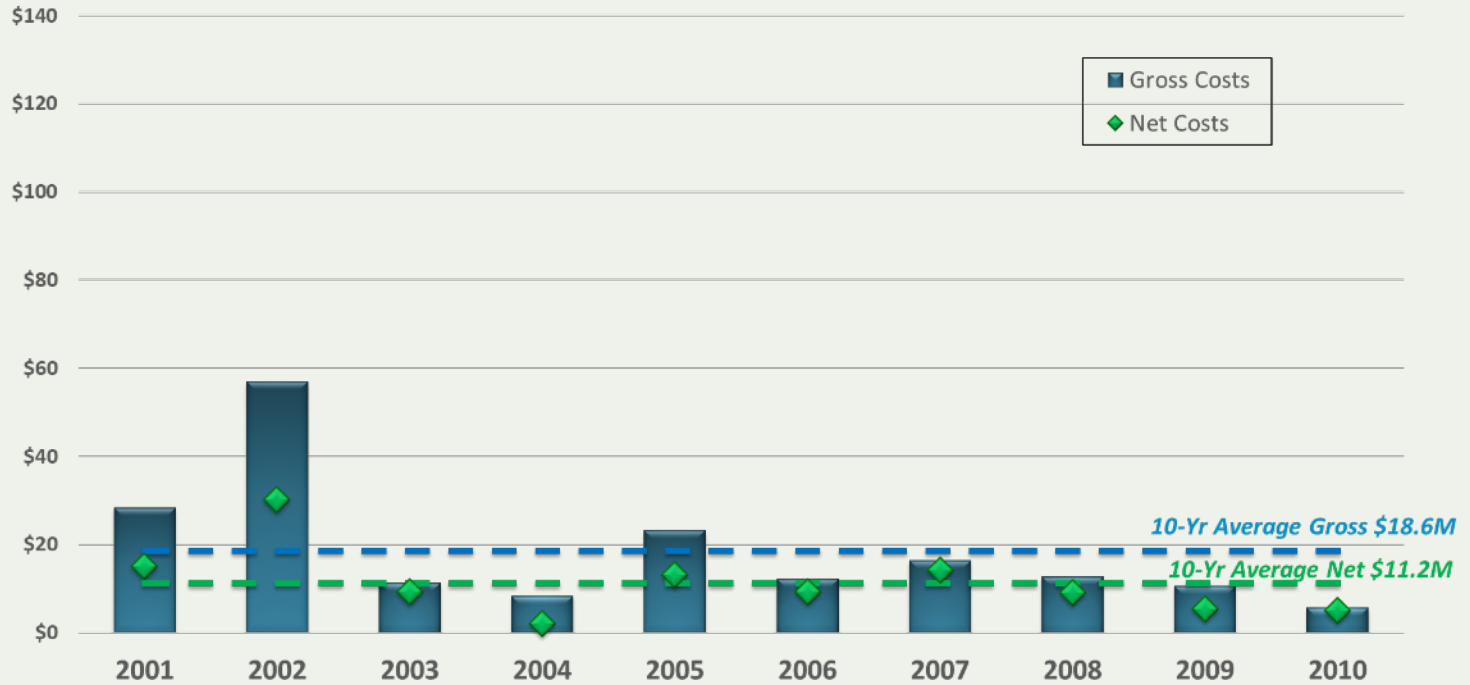


## ODF Large Fire Costs 2001 - 2010

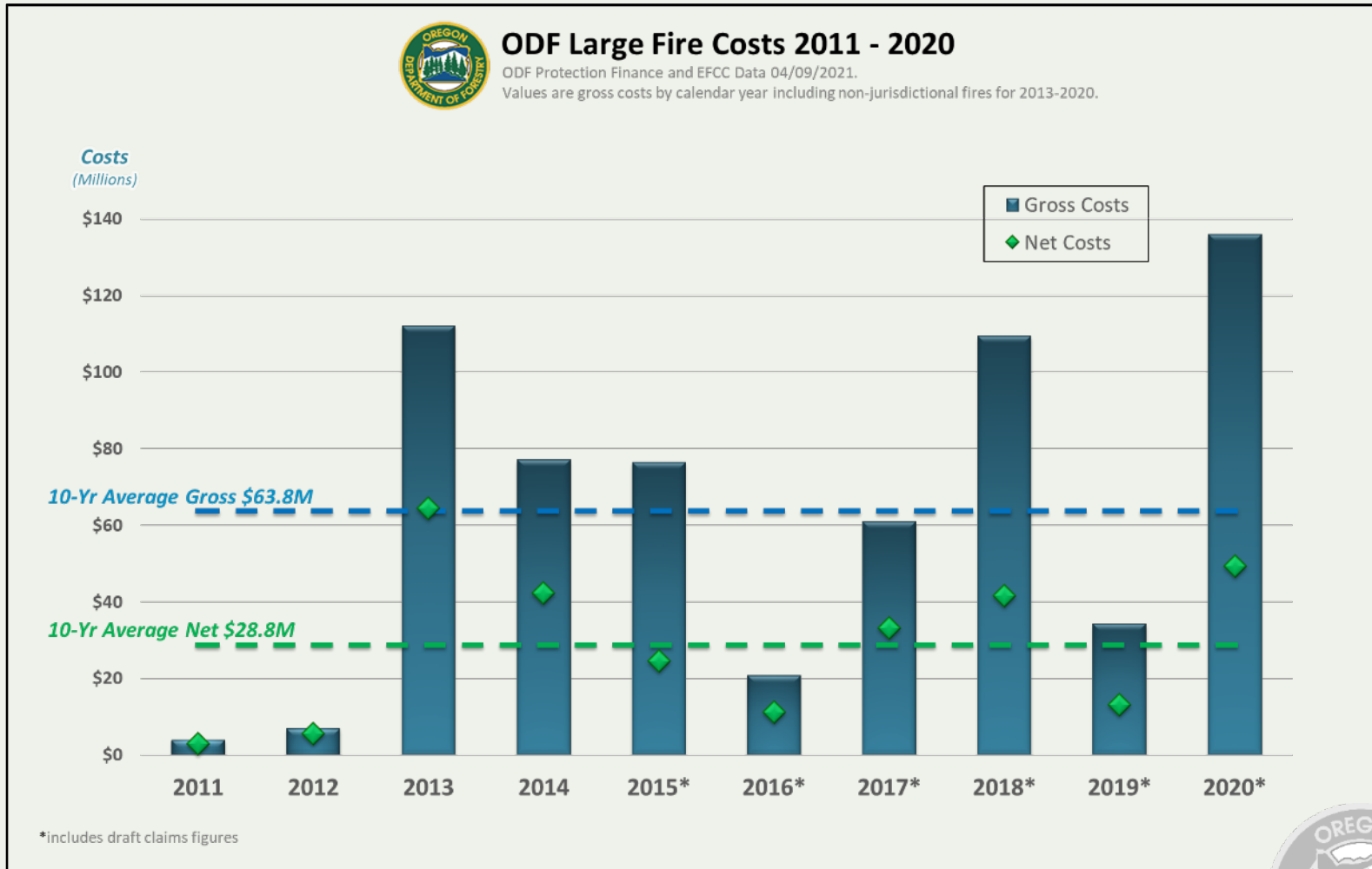
ODF Protection Finance and EFCC Data 04/09/2021.

Values are gross costs by calendar year.

Costs  
(Millions)

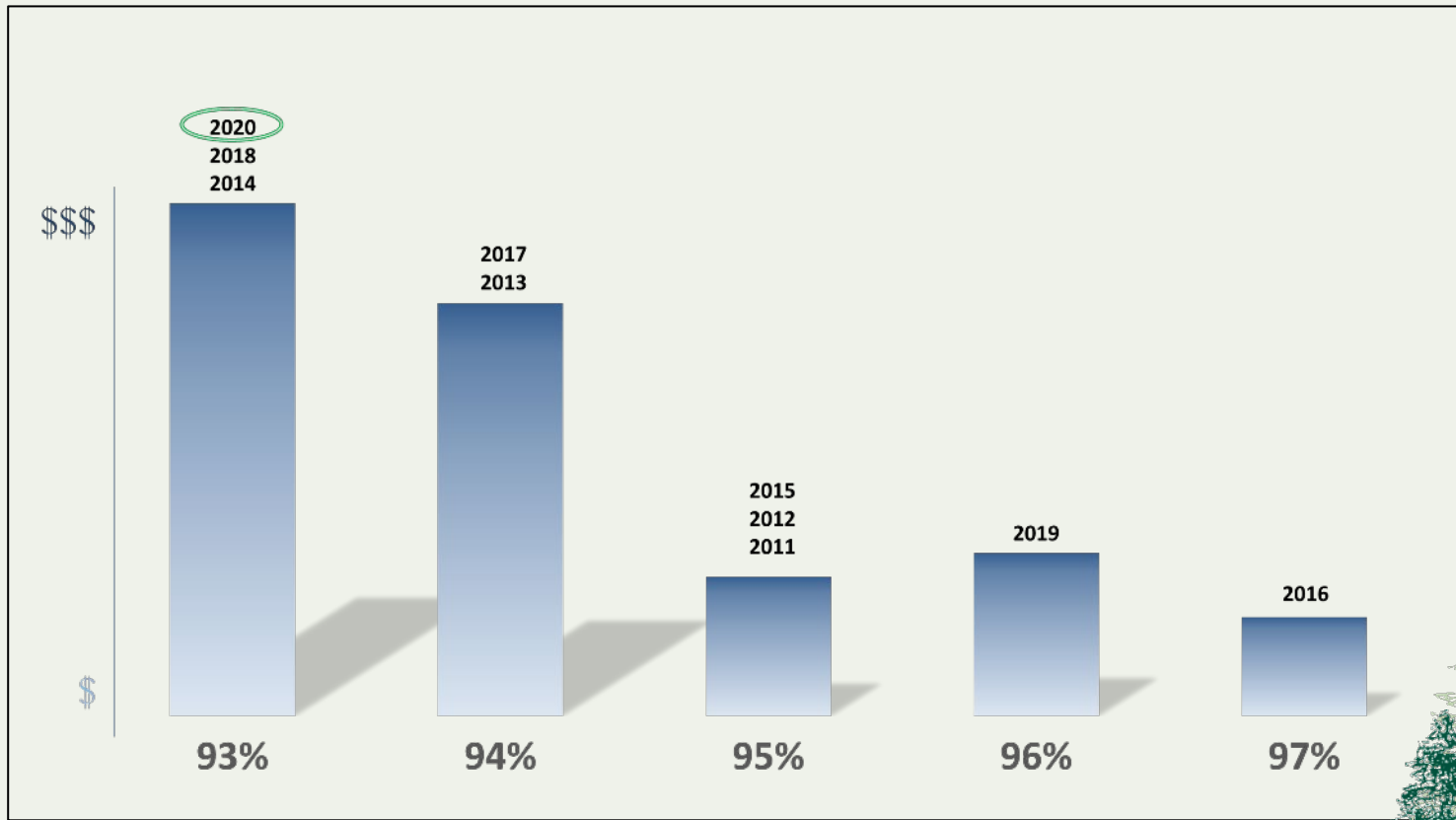


# ODF Large Fire Costs, 2011-2020





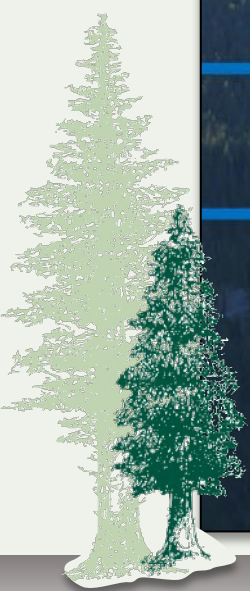
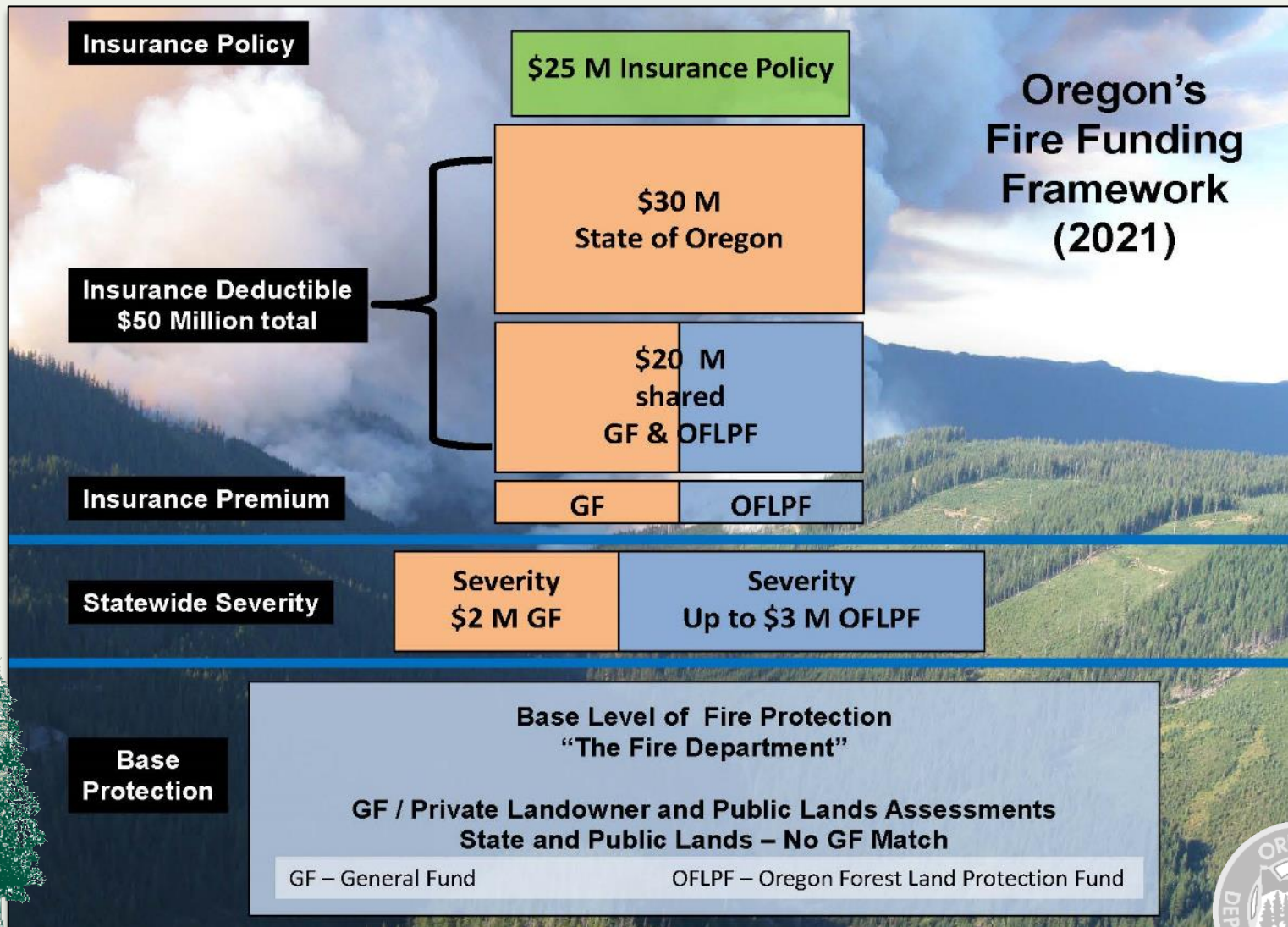
# Small Fires, Big Savings



**KPM #11**—Fire suppression effectiveness



# Funding for Wildfires





# Preventing Fires



**KPM #12**—Prevention of human-caused wildfires



# Reducing Risk



**KPM #6**—Air quality protection (smoke intrusions from prescribed burns)





# Protecting forests, communities





**Questions?**





# Federal Forest Restoration Program



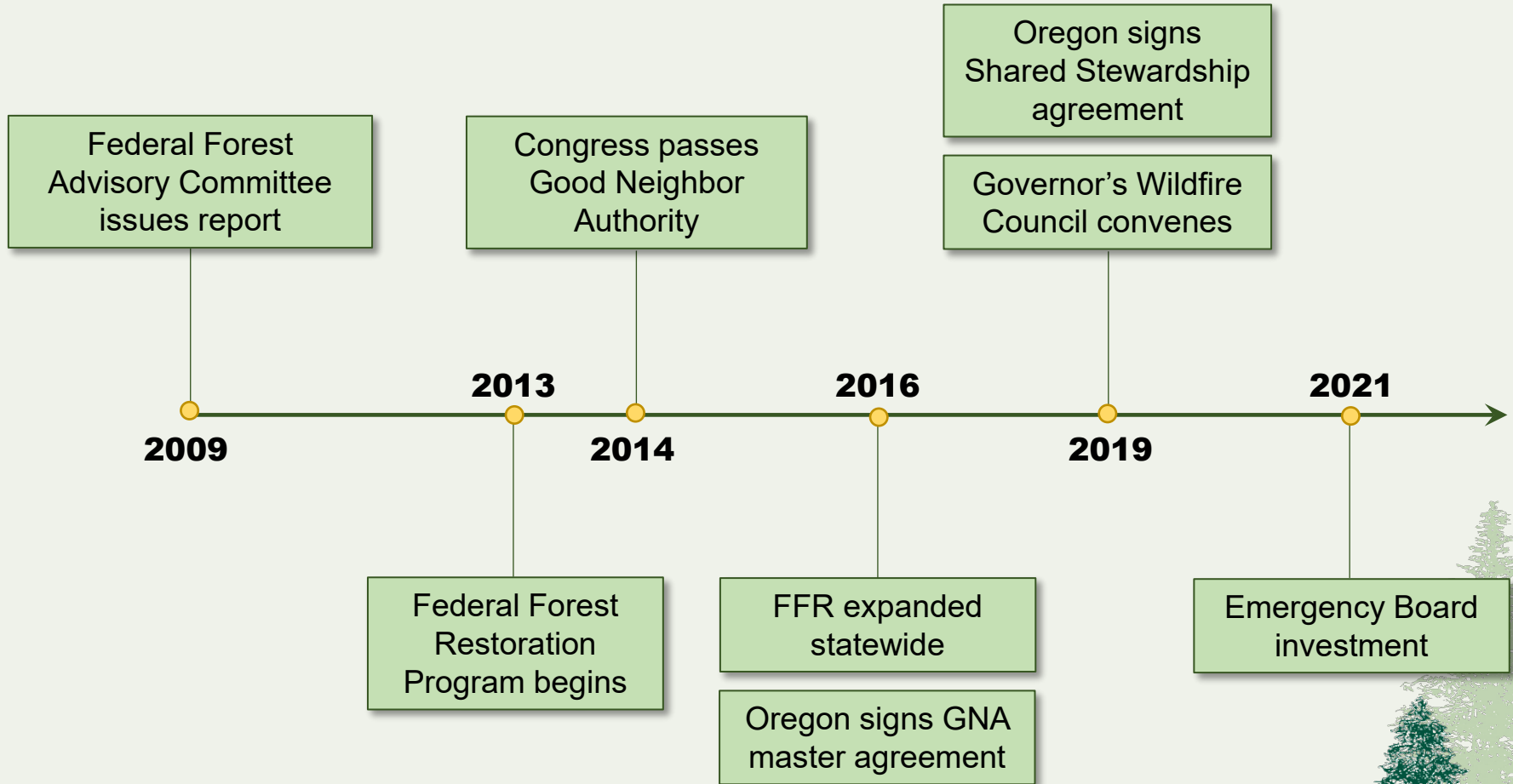
# Federal Forest Restoration

Accelerate the pace, scale and quality of forest restoration to increase the resilience of Oregon's federal forests, in a manner that leverages collaborative efforts and contributes to the long-term vitality of regional economies and rural communities.

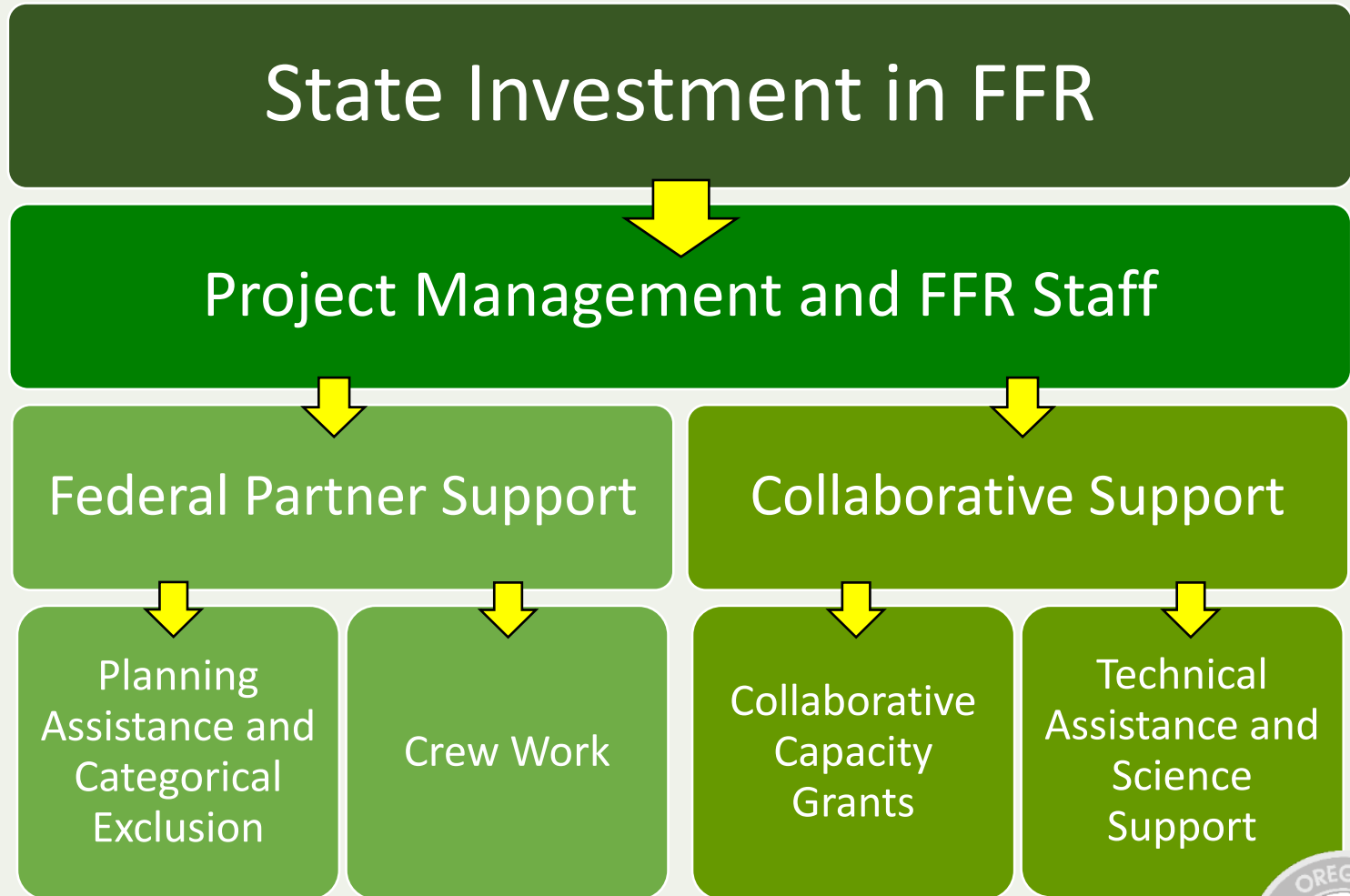




# History of FFR in Oregon



# FFR Program Components





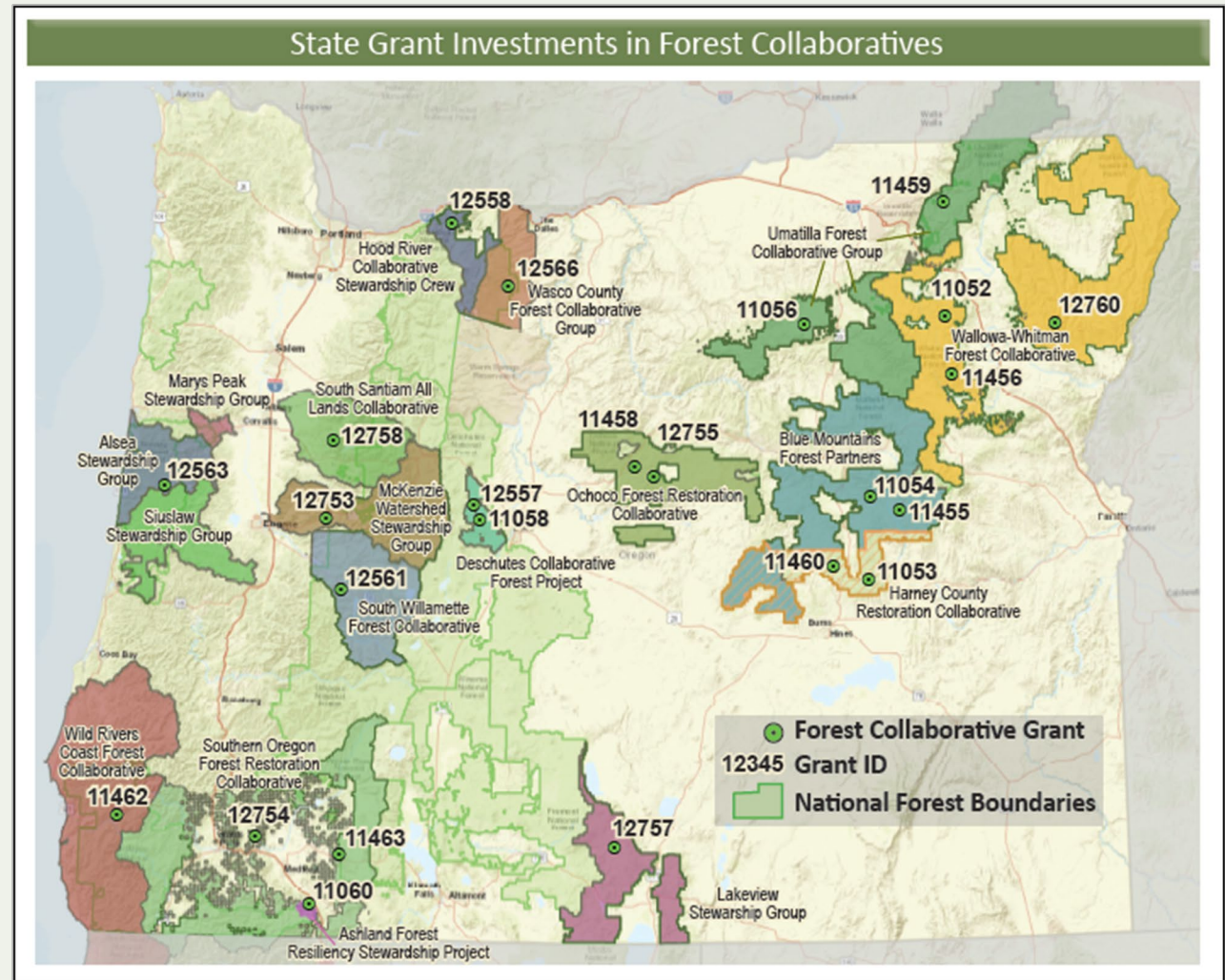
# Federal Partner Support

- Planning Assistance and Categorical Exclusion
- Crew work



# Forest Collaborative Support

- Collaborative capacity grants
- Technical assistance and science support





# Good Neighbor Authority

- A tool in the toolbox
- Allows the state to leverage federal funds to accomplish forest health, resilience, and restoration work
- Example of GNA projects in Oregon:
  - NEPA planning and support
  - Thinning for hazardous fuels reduction, forest health
  - Prescribed fire preparation and burn support



# FFR Impacts



**\$3.04 million** into the economy per year, on average



**39.64 jobs** supported per year, on average



**39,654 acres** of forest health, resilience, and restoration work complete or underway



**9 projects** completed or underway that were planned through the NEPA process (24,176 acres)



**21, 278 acres** of surveying and data collection  
**27,654 acres** of project layout and preparation







**Questions?**



# Private Forests





# Private Forests Division

- Forest Practices Act Administration
- Forest Health
- Family Forestland Assistance
- Urban and Community Forestry
- J.E. Schroeder Seed Orchard
- Oregon Seed Bank



# Forest Practices Act

## Division's role:

- Education
- Technical advice
- Inspections
- Enforcement
- Adaptive management

## KPMs

- #3—FPA compliance
- #7—Private forestlands managed under a certified management plan
- #8—Forest stream water quality
- #9—Voluntary public and private investments made for salmon and watershed improvements



# Forest Health

**28 million** acres surveyed annually.

**Goal:** Healthy, resilient forests

Focus on:

- Insects
- Diseases
- Invasive species

**KPM #13**—Damage to Oregon forests from insects, disease, and other agents.





# Family Forestland Assistance

- 60,000 family-owned, managed forests
- 10-500 acres each
- 2.2 million acres total



# Urban and Community Forestry



**241** cities, local governments, and community organizations served.

**KPM #4**—Urban and community forest management





# Seed Orchard and Seed Bank

## J.E. Schroeder Seed Orchard

- Breed seeds with highly desirable ecological traits.
  - Growth potential
  - Wood quality
  - Disease tolerance

## Oregon Seed Bank

- Provides tree seed for family forestland owners





# Major Changes: SB 1602

1. Helicopter pesticide spraying
  - Premiere notification system in country
2. Stream buffers in Siskiyou region
  - Now aligned with rest of western Oregon
3. Private Forests Accord
  - Timber industry and conservation groups
  - Potential Forest Practices Act changes
  - Habitat Conservation Plan for private lands



# Major Changes: Post-fire Recovery





**Questions?**





# State Forests



# State Forests Division

More than 730,000  
acres.

- Clatsop
- Tillamook
- Santiam
- Gilchrist
- Sun Pass
- Small parcels  
statewide



# Funding

**63.75%** to counties and local taxing districts. Remainder to ODF for state forests management, including:

- Timber sale prep
- Reforestation
- Threatened and endangered species surveys, protection measures
- Education programs
- Trails & facilities
- Research and monitoring
- Litigation expenses
- Wildfire protection

**KPM #5**—Increase in total revenue produced by state forests



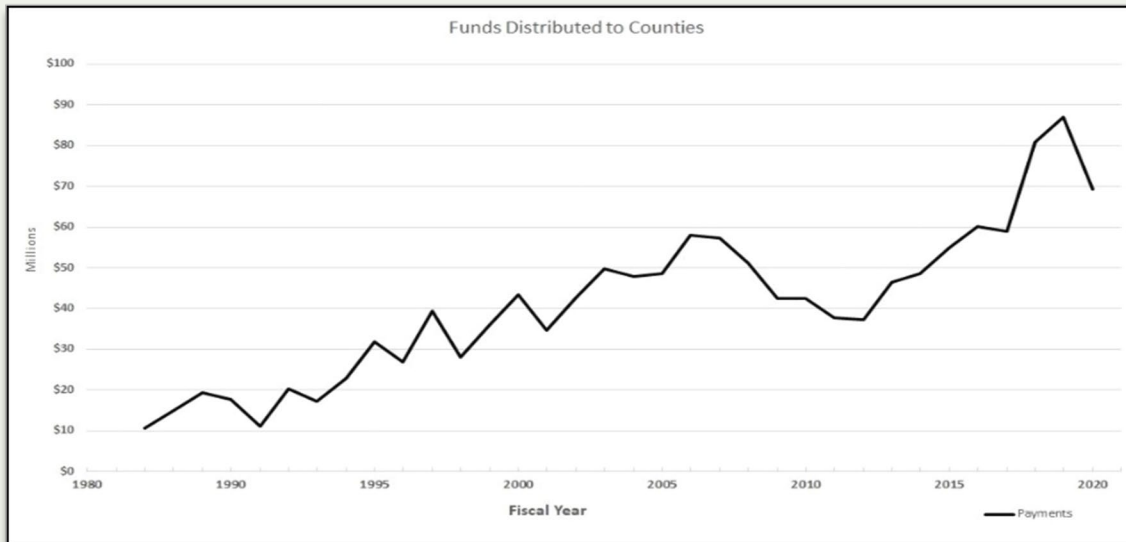
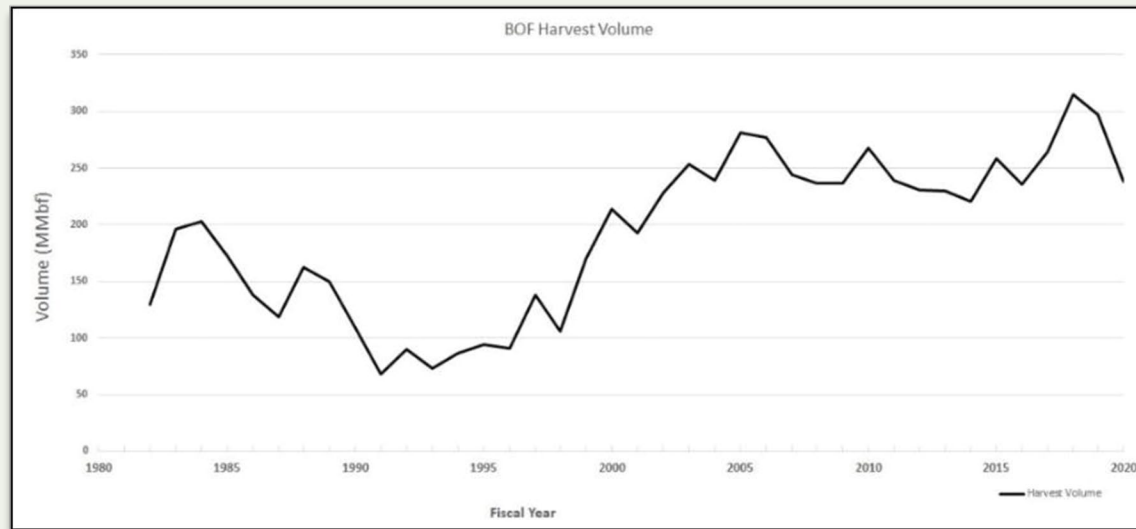


# Economic Benefits

**Average harvest volume**

**5-year: 270.245 MMBF**

**10-year: 252.991 MMBF**



**Average revenues to counties**

**5-year : \$71.2 million**

**10-year : \$58.1 million**



# Environmental Benefits



**Resilient** forests

**High-quality habitat** for native fish and wildlife



**Clean** air and water

**Protecting** threatened and endangered species



**KPM #10**—State forests  
North Coast habitat



# Social Benefits

## Recreation, Education, Interpretation

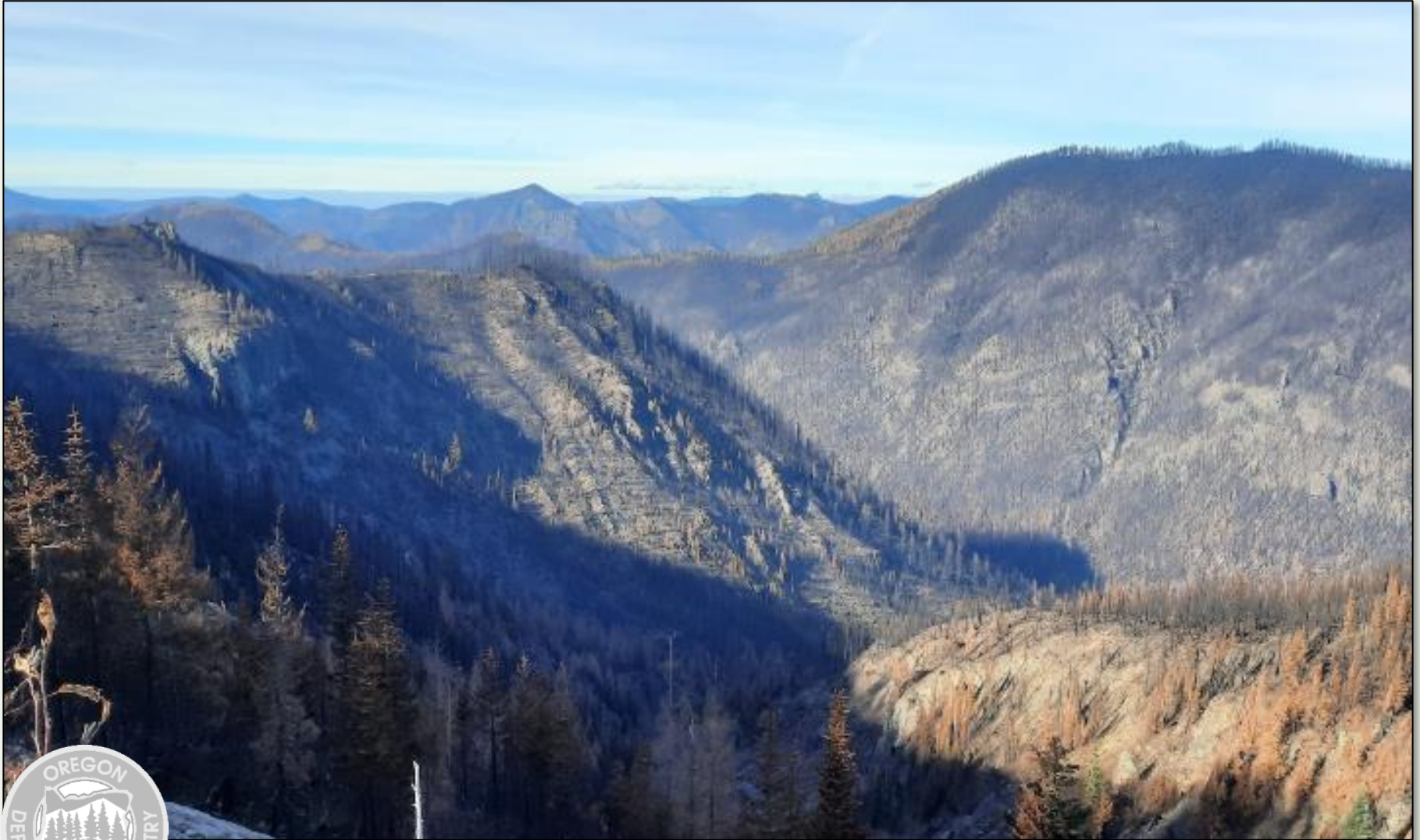
- Trails –hiking, horse-riding, ATV
- Campgrounds
- Tillamook Forest Center

## South Fork Camp





# Challenges and Opportunities



# Santiam Restoration

## Immediate actions:

- Start reforestation
- Selling burnt timber
  - Revenue to counties, schools, and local taxing districts
  - Expense of costly, multi-year restoration work





# Covid-19 Pandemic

- Effect on timber market
- Increase in recreation





# Approach to Challenges



**Proactive  
Business  
Practices**

**Policy  
Revisions**

**Flexible  
Workforce**



# Policy Revisions

- Policies established in statute and forest management plans
- Currently working on:
  - Pursuing a Habitat Conservation Plan
  - Revisions to Forest Management Plan
  - Santiam Restoration Plan





**Questions?**

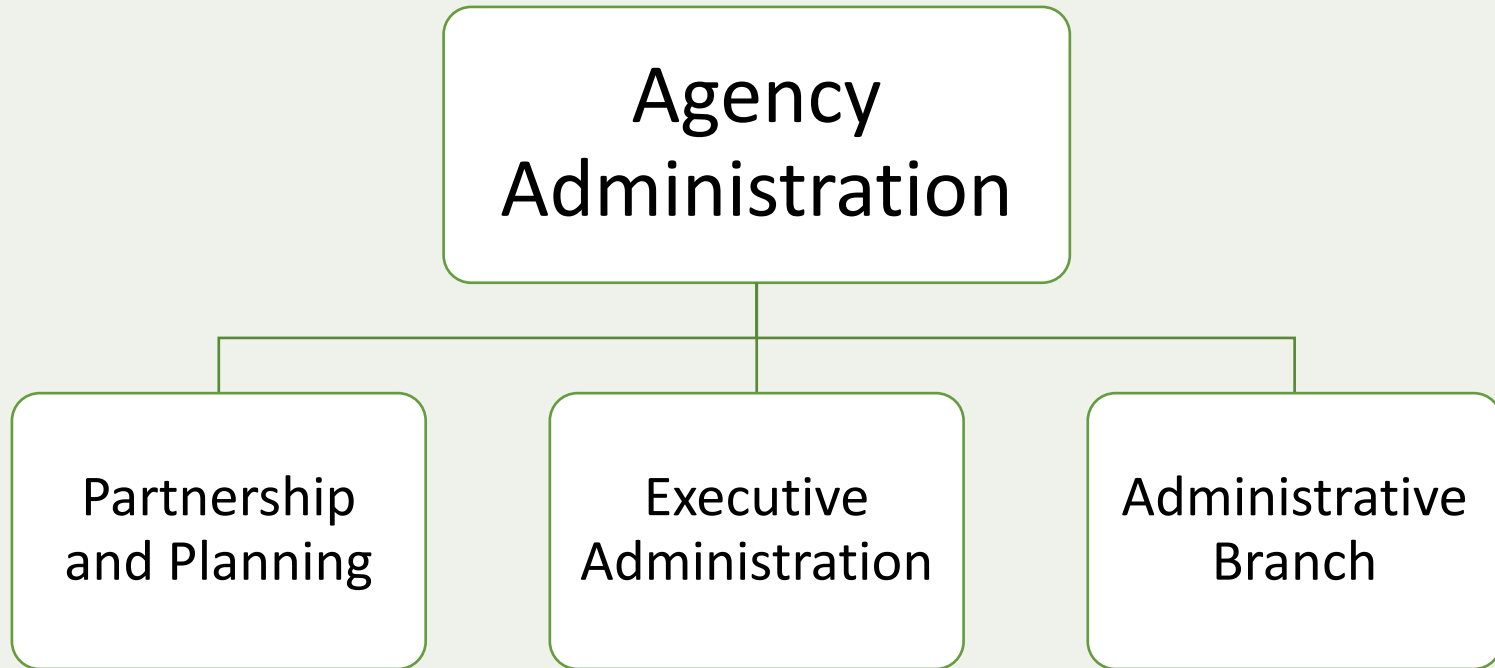




# Agency Administration



# Agency Administration



# Partnership & Planning

## Policy and Analysis Unit

- Board of Forestry strategic planning
- Executive Branch policy support
- Agency legislative assistance

## Federal Initiatives Unit

- USFS, state & private grants
- Federal Forest Restoration (FFR) Program
- Good Neighbor Authority





# Executive Administration

- Executive leadership
- Executive team and leadership team support
- Board of Forestry support



# Administrative Branch

- Business Services
- Information Technology
- Human Resources
- Public Affairs
- Motor Pool
- Admin Modernization



# More Need, Same Resources

Increase in administrative support and expertise, both internally and externally.

- Diversity, equity, inclusion, environmental justice
- Employee support & engagement
- Public interest in agency's work
- Facilities maintenance, rebuilding
- Fire season staffing and support





# MGO Recommendations

- Started in late 2019
- Final report recently released
- Recommendation implementation is already underway
- Detailed implementation plan up for Board of Forestry approval in June



# Implementation Plan

<b>MGO Recommendation # and Title:</b> #27 - OregonBuys <b>ET Sponsor:</b> Bill Herber <b>Due Date:</b> 06/30/2021 <b>Last Update:</b>						<b>Purpose:</b> This document contains key deliverables for implementing recommendations presented in the MGO Report, April 2021.					
<b>Rating:</b> MGO Recommendation: Low All vendors should be required to register in OregonBuys. If a vendor refuses to register within OregonBuys, the vendors should be entered into the system by DAS and/ or ODF and communication should be provided to the vendor related to the use of OregonBuys. Once all vendors have been input into OregonBuys, all previous purchasing systems should be disabled.		<b>MGO Action Plan:</b> Add/register all vendors within OregonBuys and disable the Field Protection Districts' and the ODF Administrative Branches' access to the predecessor purchasing systems.		<b>MGO Observation:</b> Certain vendors are not registered in OregonBuys resulting in the continued use of the predecessor purchasing and payment system.		<b>MGO Potential Impact / Risk:</b> Utilizing the predecessor purchasing system in addition to OregonBuys could result in missed payments and/ or incomplete financial information.					
<b>Note:</b> This is dependent upon DAS to enter vendors who are exceptions into the system.											
<b>ODF Management Response:</b> ODF agrees with this recommendation. We currently are requiring all purchases to be through OregonBuys. We are aware of a vendor exception process that DAS is establishing but have not currently utilized it as we have been able to have the vendors sign up. A majority of transactions in the old system are transfers to other agencies, one time GNA grant payments, and emergency payments for vendors not in OregonBuys. ODF will define a phased approach to implement this recommendation that will disable the Field Protection Districts access to the predecessor purchasing system to assist in mitigating risk and instead rely on the exception process for vendors that cannot register in OregonBuys. ODF would prefer to retain access to this system within the Administrative Branch to support the phased implementation and assure that emergency payments can still be completed in a timely manner.											
√	Deliverable Identification	Owner	Estimated Completion Date	Deliverable Status		Approver(s)	Review Planning				Link to Documentation
	Deliverable Name			Status Indicator	Status		District Business Managers	LT	ET	BOF	
<b>MILESTONES/DELIVERABLES</b>											
	Short-term solution, SFMA Macro process	Financial Services Manager	06/15/2021	●	Being Initiated	Asst. Deputy Director for Admin					
	Deprecation of FSO	Financial Services Manager	06/30/2021	●	In Review / Underway	Asst. Deputy Dir					
	Tracking log for short-term solution	Financial Services Manager	12/01/2022	●	Being Initiated	Dir					
	Long-term solution, Sage 300 AP module implementation	Financial Services Manager	12/01/2022	●	Not Started	Dir					
	Vendor Exception Process	Disbursements Manager	09/30/2021	●	In Review / Underway	Fin					
<b>POLICY AND PROCEDURES</b>											
<b>ODF Policy (list topics and define milestones)</b>											
	Updated Accounts Payable Policy	Disbursements Manager	09/30/2021	●	In Review / Underway	Fin					
	Vendor Exception Policy		09/30/2021	●	In Review / Underway	Fin					
<b>ODF Procedures (list topic(s), define each)</b>											
	Updated OregonBuys Payment Procedures	Disbursements Manager	09/30/2021	●	Not Started	Fin					
	Vendor Exception Procedures	Disbursements Manager	09/30/2021	●	Not Started	Fin					
<b>ODF Guidance or Memorandum (list sections)</b>											
	Updated OregonBuys Payment Guidance			●	Not Started						
<b>IT SYSTEM CONSIDERATIONS</b>											
	Update to Sage 300 implementation, incorporating AP module	Asst. Deputy Director for Admin	12/31/2021	●	Not Started	Deputy Director for Administration					
<b>COMMUNICATION PLANNING</b>											
	Email to Administrative Services Division Leadership on										

**Areas of Consideration**

- Milestones and/or deliverables
- Policies and Procedures
- IT Systems
- Communication Planning
- Training Needs
- Maintenance Needs – Post-Implementation
- Budgetary, Legislative or Administrative



# New Systems

Implementing and rolling out:

## Enterprise-wide

- OregonBuys
- Workday functionality expansion
- Microsoft 365

## Internal

- Accounts receivable tracking
- Asset management







**Questions?**



# Governor's Budget



# 2021-23 Governor's Budget

	2019-21 Legislatively Adopted	2019-21 Legislatively Approved	2021-23 CSL	2021-23 Agency Request	2021-23 Governor's Budget
<b>General Fund</b>	\$90,604,264	\$108,266,332	\$93,794,837	\$154,609,628	\$113,902,322
<b>Lottery Fund</b>	\$2,543,451	\$2,543,451	\$2,564,210	\$2,564,210	\$2,564,210
<b>Other Funds</b>	\$260,068,337	\$358,430,132	\$281,749,690	\$287,710,802	\$284,531,617
<b>Federal Funds</b>	\$35,483,276	\$37,283,276	\$37,632,564	\$37,326,999	\$37,493,713
<b>Total Funds</b>	\$388,699,328	\$506,523,191	\$415,741,301	\$482,211,639	\$438,491,862
<b>Positions</b>	1,153	1,155	1,149	1,249	1,195
<b>FTE</b>	848.99	849.83	847.71	948.68	895.18

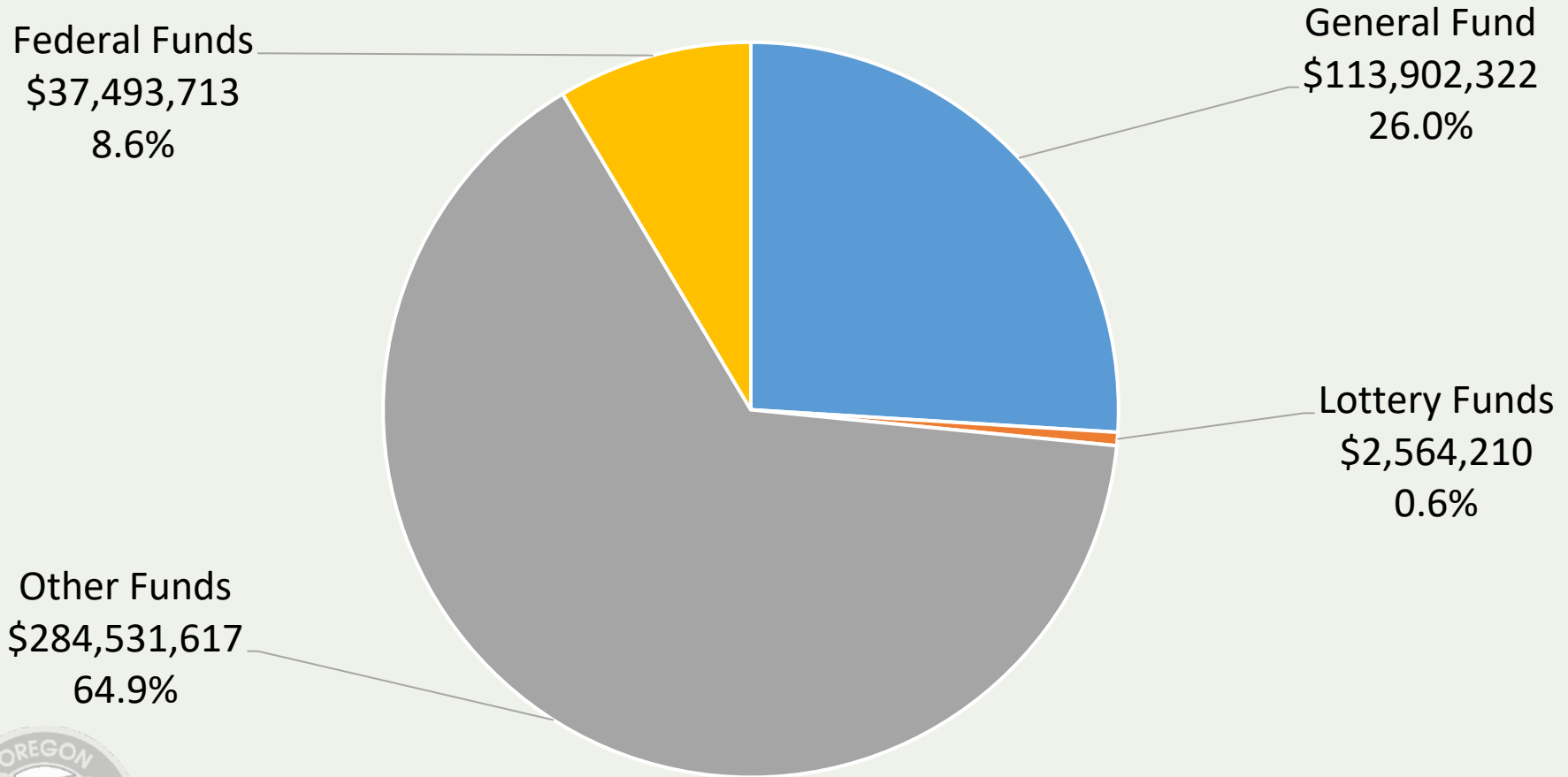




# 2021-23 Governor's Budget

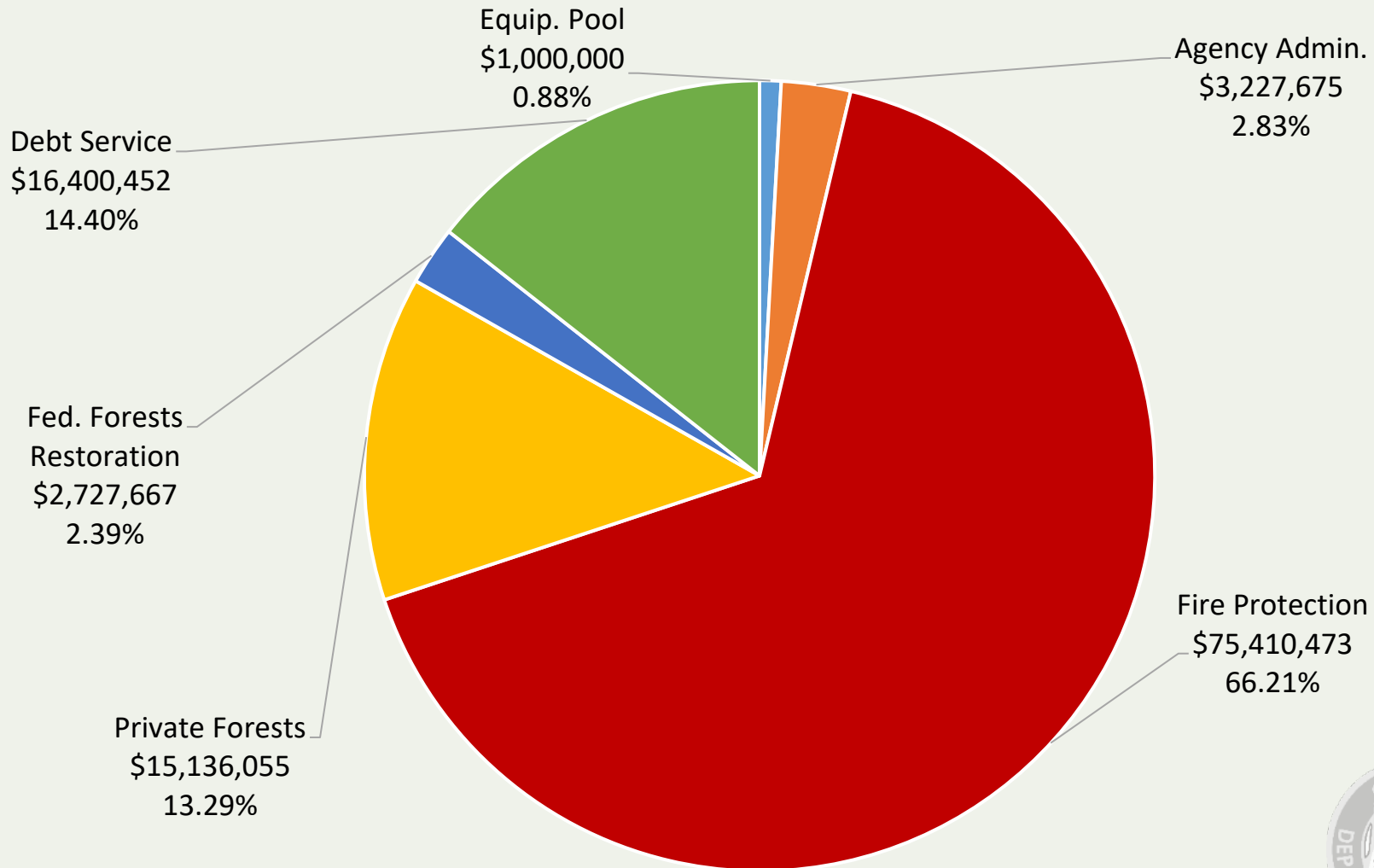
## by fund type

(\$438,491,862)



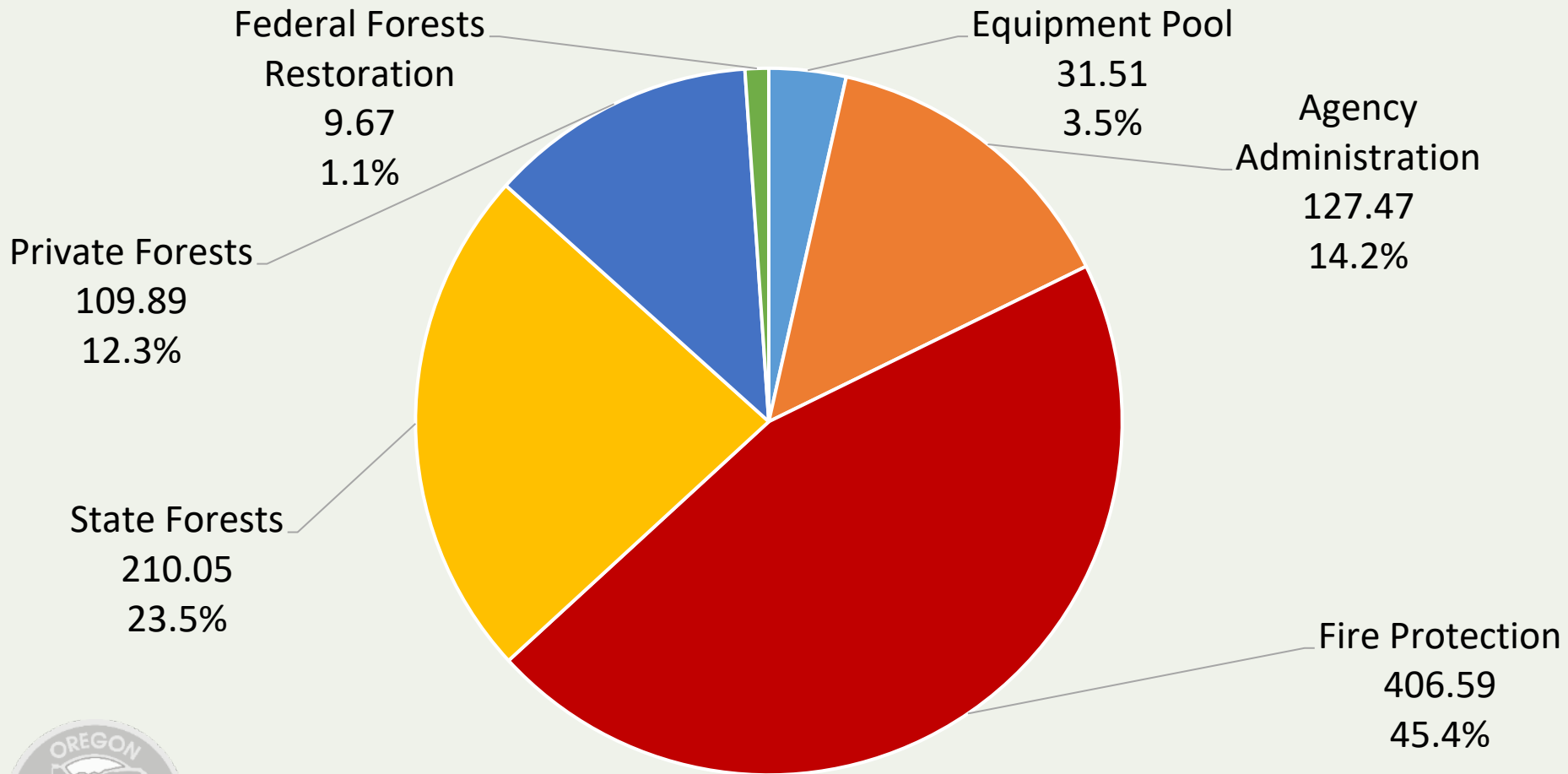
# 2021-23 Governor's Budget

## General Fund by program area (Total: \$113,902,322)



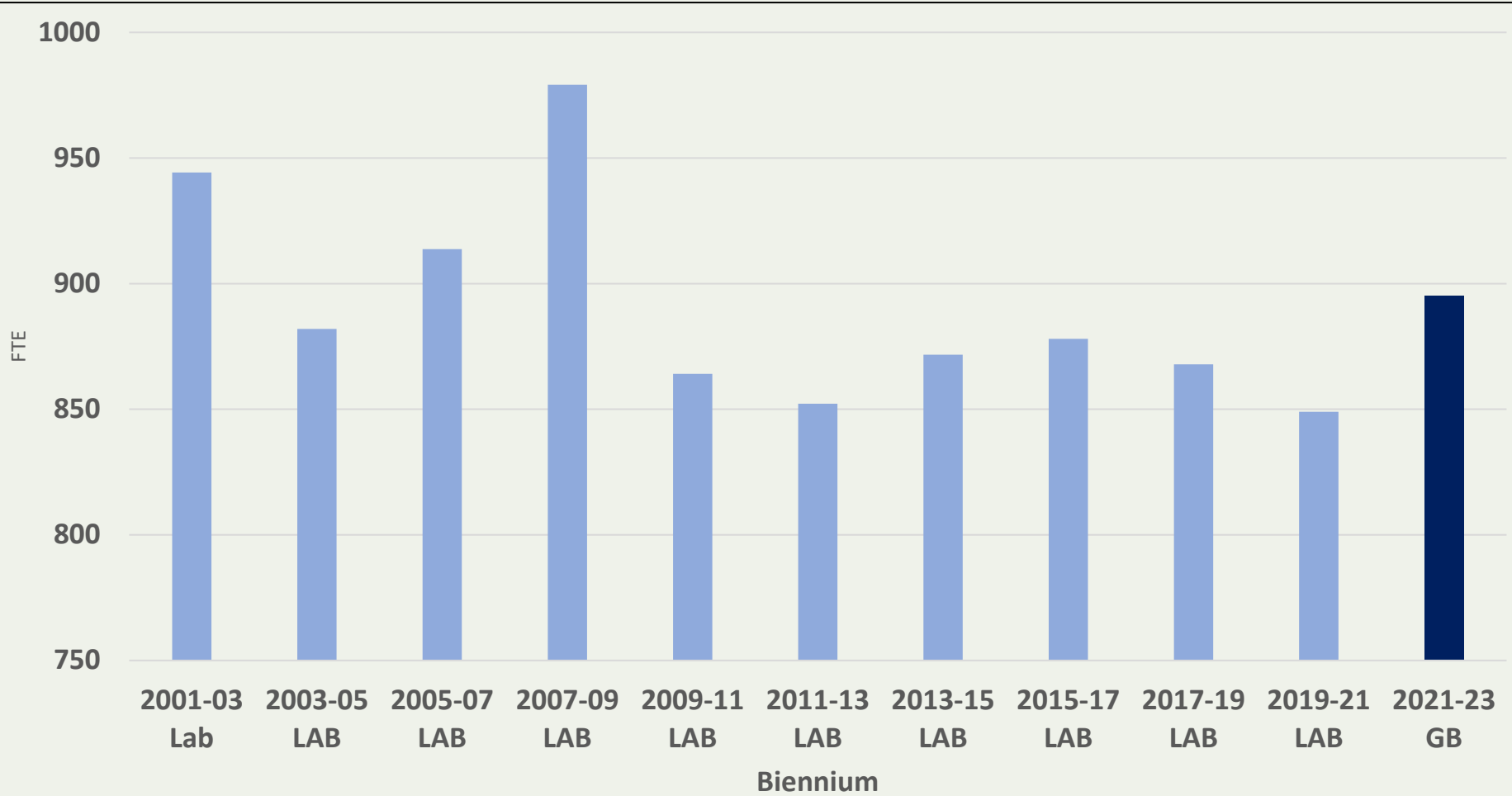
# 2021-23 Governor's Budget

FTE by program area (Total: 895.18)





# Full-time Equivalents (FTE) Over Time



# Policy Option Packages

#	Title	GF	OF	Federal	Pos.	FTE
100	Continuation of funding for fire severity resources & insurance costs	\$8,000,000	-	-	-	-
101	Fire organization sustainability & modernization	\$6,466,865	\$232,248	-	27	28.47
102	Next generation severity	\$20,000,000	-	-	-	-
160	Forest climate change mitigation & adaptation	\$3,227,675	-	\$-305,565	9	9
170	Capital improvement & debt service	\$516,202	\$4,885,000	-	-	-
171	Firefighter life safety	\$1,098,568	\$526,501	-	2	2
172	Diversity, equity & inclusion	\$238,738	\$452,433	-	2	2
174	Facilities capital management capacity	\$238,738	\$452,433	-	2	2
175	Capital construction & debt service: Toledo facility	\$104,470	\$1,825,160	-	0	0
200	MGO recommendations	\$439,322	\$1,315,344	-	4	4

# Policy Option Package Details

- POP 101—Fire Organization Sustainability and Modernization
- POP 160—Climate Change Mitigation and Adaptation
- POP 172—Diversity, Equity, and Inclusion/Environmental Justice
- POP 200—Implementation of MGO Recommendations





# 10% Reduction Options

GF: **\$7,801,505.70**

Positions: **66.72**

OF: **\$27,972,426.73**

FTE: **36.93**

FF: **\$3,966,700.00**

## Impacts:

Statewide reductions in:

- FPA administration
- Industrial fire prevention education and enforcement
- Technical assistance for landowners
- Fire season resources
- Rangeland association support
- Federal forest restoration work





**Questions?**