

SB 5521 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: April McDonald, Legislative Fiscal Office

**Department of Forestry
2025-27**

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 428,952,974	\$ 140,012,515	\$ 145,186,650	\$ (283,766,324)	(66.2%)
General Fund Debt Service	\$ 16,465,728	\$ 17,468,121	\$ 17,468,121	\$ 1,002,393	6.1%
Lottery Funds Debt Service	\$ 2,557,080	\$ 2,558,120	\$ 2,558,120	\$ 1,040	0.0%
Other Funds Limited	\$ 696,323,751	\$ 377,053,323	\$ 397,455,497	\$ (298,868,254)	(42.9%)
Other Funds Capital Improvements	\$ 10,222,290	\$ 10,651,626	\$ 10,651,626	\$ 429,336	4.2%
Other Funds Debt Service	\$ 1,826,040	\$ 3,083,758	\$ 3,083,758	\$ 1,257,718	68.9%
Federal Funds Limited	\$ 81,911,546	\$ 56,752,010	\$ 85,042,398	\$ 3,130,852	3.8%
Total	\$ 1,238,259,409	\$ 607,579,473	\$ 661,446,170	\$ (576,813,239)	(46.6%)

Position Summary

Authorized Positions	1,431	1,415	1,412	(19)
Full-time Equivalent (FTE) positions	1,075.02	1,085.24	1,080.92	5.90

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Department of Forestry (ODF) relies on Other Funds revenues typically derived from the Forest Products Harvest Tax and state forests timber sales. The Oregon Forest Practices Act (FPA) is administered through the Forest Resources Division. For administering the FPA, the Department receives funds through a tax on timber harvest. The State Forests Division is funded primarily with Other Funds revenue received from timber sales on lands managed by the Department. ODF receives General Fund support for fire protection services and for the Forest Resources program. ODF also receives Federal Funds support to carry out the Federal Forest Restoration Program and administer targeted federal grant programs. ODF receives a small amount of Lottery Funds to support debt service payments.

Summary of Natural Resources Subcommittee Action

The mission of ODF is to serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability. The Department is organized into three larger operative divisions, Fire Protection,

Forest Resources, and State Forests, and includes six divisions – Agency Administration, Equipment Pool, Facilities Maintenance, Debt Service, Capital Improvement, and Capital Construction – for support and administration.

The Subcommittee recommended a budget of \$661,446,170, which includes \$162,654,771 General Fund, \$2,558,120 Lottery Funds, \$411,190,881 Other Funds expenditure limitation, \$85,042,398 Federal Funds expenditure limitation, and 1,412 positions (1,080.92 FTE), which represents a 46.6% decrease from the 2023-25 legislatively approved budget, excluding capital construction. The significant decrease from LAB is predominantly due to the exclusion or phase-out one-time investments.

Agency Administration

The Agency Administration Division's mission is to provide high quality leadership, assessment, policy development, public involvement, communications, and administrative systems support to the Board of Forestry and the agency, providing the foundation for effective implementation of the department's core business functions. The program area has three primary components: Agency Administration, Human Resources, and Business Services.

The Subcommittee recommended a budget of \$75,214,118 total funds, which includes \$758,644 General Fund, \$71,590,442 Other Funds expenditure limitation, \$2,865,032 Federal Funds expenditure limitation, and 138 positions (136.00 FTE). The Subcommittee recommended the following packages:

Package 104, Workforce Development. This package reduces Other Funds expenditure limitation for the Agency Administration Division by \$19,995; abolishes five positions (5.00 FTE) and establishes six permanent full-time positions (4.75 FTE) to appropriately classify positions to the body of work assigned, resolve existing work-out-of-class agreements, and establish a Workforce Development Manager to attract and retain staff for the Department. Currently, ODF has no staff dedicated to this function. The position classifications have been reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Specifically, position actions include abolishing three Human Resource Assistants (3.00 FTE), a Human Resources Supervisor 2 (1.00 FTE), and a Payroll Analyst (1.00 FTE) to establish three Human Resources Analyst 1 positions (2.25 FTE), a Learning and Development Specialist 2 (0.75 FTE), an Administrative Specialist 1 (0.75 FTE), and a Human Resources Manager 1 (1.00 FTE) to serve as the Workforce Development Manager.

Package 106, Payroll Transfer to DAS. This package transfers payroll operations to Department of Administrative Services (DAS) Shared Client Services. The two Payroll Analyst positions (2.00 FTE) were operationally transferred to DAS during the 2023-25 biennium. To codify the change in budget, a corresponding package exists for DAS. In the Agency Administration Division, this package makes a net increase of \$327,714 Other Funds expenditure limitation.

Package 804, Position Rebalance. This package reduces General Fund by \$112,797, reduces Other Funds expenditure limitation by \$114,520, increases Federal Funds expenditure limitation by \$428,752, and reduces position authority by 0.25 FTE for the Agency Administration division. This is the result of several position actions including reclassifying two positions, abolishing five positions (5.00 FTE), establishing five permanent full-time positions (4.75 FTE), and shifting the revenue source for two positions, with the intent to appropriately classify positions to the body of work assigned and establish positions to support facility maintenance and projects. The position classifications have been reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Specifically, a filled Program Analyst 2 (1.00 FTE) is reclassified to a Program Analyst 3 (1.00 FTE), and a filled Operations and Policy Analyst 4 (1.00 FTE) is reclassified to management service. Additionally, the package abolishes an Accountant 2 (1.00 FTE) to establish an Accountant 3 (1.00 FTE); abolishes a Facility Energy Technician 2 (1.00 FTE) to establish an Electrician 3 (1.00 FTE); abolishes a Public Affairs Specialist 1 (1.00 FTE), a Public Affairs Specialist 2 (1.00 FTE), and a Natural Resource Specialist 2 (1.00 FTE) to establish an Operations and Policy Analyst 2 (1.00 FTE) and two Construction Project Manager 2 positions (1.75 FTE). Lastly, an Accountant 2 and a Natural Resource Specialist 4, (Biomass Specialist) are shifted to Federal Funds.

Fire Protection

ODF is the state's largest fire department. The Fire Protection Division is responsible for providing fire protection on approximately 16 million acres of forest and range land. The program delivers fire protection through a complete and coordinated system with federal agencies, forest landowner operators and contractors, local structural fire agencies, and nearby states. Program services include fire prevention, detection and suppression, equipment cache, communications, weather and smoke management services, mapping, federal grants utilization, central and field program administration, and Emergency Fire Cost management. Services are delivered through three area offices and 12 forest protection districts. The program also provides management direction for prescribed fire use to reduce forest fuels as a prevention measure.

The Subcommittee recommended a budget of \$220,111,122 total funds, which includes \$82,519,290 General Fund, \$116,323,906 Other Funds expenditure limitation, \$21,267,926 Federal Funds expenditure limitation, and 790 positions (468.27 FTE). The Subcommittee also recommended the following packages:

Package 104, Workforce Development. This package reduces General Fund by \$24,743 for the Fire Protection division. This is an adjustment to the division's administrative prorate transfer resulting from several position actions in the Agency Administration division.

Package 106, Payroll Transfer to DAS. This package increases General Fund by \$129,727 for the Fire Protection division. This increase is the result of additional charges for contracted payroll services from the Department of Administrative Services. The Division's increase represents the additional administrative prorate transfer necessary to cover the cost of centralized services.

Package 802, Vacant Position Reductions. This package abolishes a long-term vacancy in Forest Patrol. The Natural Resource Specialist 1 (1.00 FTE) has been vacant for over 48 months. This package reduces General Fund by \$98,760, including a reduction of \$12,500 General Fund to account for position-related services and supplies and reduces Other Funds expenditure limitation by \$120,251.

Package 804, Position Rebalance. This package reduces General Fund by \$1,755 to rebalance the administrative prorate transfer in response to position adjustments in Package 804 for the Agency Administration division.

Equipment Pool

The Equipment Pool Program provides the Department with the equipment necessary to meet its mission. The Program contains two sections: Fleet Services and the Equipment Pool. Fleet Services supports wildfire mitigation by providing the necessary vehicles and equipment for firefighting operations, including fire engines, water tankers, bulldozers, and specialized vehicles for transportation and logistics. The Equipment Pool provides the resources and equipment essential to fire mitigation. Wireless radio network supports fire mitigation by enabling real time communications among firefighters and command centers. This division provides radio communication services for the Department of Fish and Wildlife and the Oregon Parks and Recreation Department.

The Subcommittee recommended a budget of \$35,410,736 Other Funds expenditure limitation and 31 positions (32.49 FTE). The Subcommittee recommended the following packages:

Package 801, LFO Analyst Adjustments. This package provides a one-time increase of \$12,000,000 in Other Funds expenditure limitation, supported by General Obligation bond proceeds from an April 2025 bond sale. The Department received approval to purchase a multi-mission capable aircraft in Senate Bill 5506 (2023). The Department will not be able to complete the purchase before the close of the 2023-25 biennium; however, procurement is under way with delivery anticipated prior to April 2026.

Package 804, Position Rebalance. This package reduces General Fund by \$738,397 and increases Other Funds expenditure limitation by \$738,397. This adjustment is the result of a revenue shift for two communication specialists authorized in Senate Bill 762 (2021) from General Fund to the Department's communications assessment. This shift will align the two positions with the funding source for all other communications positions in the division.

State Forests

The State Forests Division manages more than 729,000 acres of forestland for the Board of Forestry and over 26,000 acres for the State Land Board. About 95% of the state forest acreage is owned by the Board of Forestry, and the remaining acres are owned by the State Land Board for the benefit of the Common School Fund. The objective of the Division is to manage state forests for the greatest permanent value of those lands to the state. "Greatest permanent value" has been defined as "healthy, productive, and sustainable forest ecosystems that over time and

across the landscape provide a full range of social, economic, and environmental benefits to the people of Oregon” (Oregon Administrative Rule 629-035-030).

The Subcommittee recommended a budget of \$132,337,805 total funds, which includes \$131,308,926 Other Funds expenditure limitation, \$1,028,879 Federal Funds expenditure limitation, and 212 positions (207.62 FTE).

Forest Resources

The Forest Resources Division provides support to over 10 million acres of private forestland through the administration of the Oregon Forest Practices Act (FPA), which governs the removal of Forest Products in the state. The Forest Products Harvest Tax is levied on the harvest of timber products. The Division maintains the FPA through:

- Education and technical support;
- Inspections before, during, and after operations;
- Enforcement civil and other penalties and responds to complaints; and
- Compliance audits and research to measure the efficacy of the FPA.

Additionally, the Division administers the Federal Forests Restoration Program and has taken on the responsibility to increase the pace, scale, and quality of restoration of Oregon’s federal forestland.

The Subcommittee recommended a budget of \$158,134,601 total funds including \$61,908,716 General Fund, \$36,345,324 Other Funds expenditure limitation, \$59,880,561 Federal Funds expenditure limitation, and 241 positions (236.54 FTE). The Subcommittee recommended the following packages:

Package 105, Urban & Community Forestry. This package provides \$28,000,000 in Federal Funds expenditure limitation for the Urban and Community Forestry program under previously awarded U.S. Forest Service federal grants through the Urban and Community Forestry and Forest Legacy programs.

Package 106, Payroll Transfer to DAS. This package increases General Fund by \$60,431 for the Forest Resources Division. This increase is the result of additional charges for contracted payroll services from the Department of Administrative Services. The Division’s increase represents the additional administrative prorate transfer necessary to cover the cost of centralized services.

Package 801, LFO Analyst Adjustments. This package provides one-time funding totaling \$6,000,000 General Fund and \$7,700,000 in Other Funds expenditure limitation for the Forest Resources Division. This includes \$4,500,000 General Fund to support the Department’s Adaptive

Management Program and continued work towards a federally approved Habitat Conservation Plan as part of the Private Forest Accord (PFA). This includes \$1,400,000 to support operational costs of the Independent Research and Science Team (IRST) housed at the Institute of Natural Resources; \$20,000 for the program's administrative costs at ODF; and \$3,080,000 for the next round of research projects conducted by the IRST. The total package also includes \$2,000,000 General Fund for deposit into the Small Forestland Investment in Stream Habitat (SFISH) Program Fund which provides grants to certain small forestland owners for projects benefiting fish species addressed in the PFA Report or projects to mitigate risks to natural resources from the construction, operation or maintenance of forest roads or related activities. The Department is also provided with \$7,700,000 in Other Funds expenditure limitation to spend monies deposited into the fund, inclusive of \$5,700,000 deposited through Senate Bill 5550 (2025).

Lastly, the package includes a reduction of \$500,000 General Fund eliminating the transfer to the Oregon Watershed Enhancement Board for Forest Health Collaborative Grants which provide for collaboratively planned restoration projects on Oregon's federal lands.

Package 804, Position Rebalance. This package includes a reduction of \$39,571 General Fund, a reduction of \$109,171 Other Funds expenditure limitation, a reduction of \$138,364 Federal Funds expenditure limitation, and reduces position authority by one position (0.82 FTE). This is the net result of several adjustments to appropriately classify positions to the body of work assigned, and to right-size the Forest Resource Division's administrative prorate transfer to the Agency Administration Division.

Facilities Maintenance & Management

The Facilities Maintenance and Management program area supports the Department through an integrated facilities management plan to protect the health and safety of the public and personnel. The program ensures sufficient funds are available for routine maintenance, the reduction of deferred maintenance, and the implementation of capital construction and improvement projects. The Subcommittee recommended a budget of \$6,411,934 Other Funds expenditure limitation. The program contains no positions.

Debt Service

The Debt Service program area acts as a storehouse for all Debt Service paid by the Department. The Subcommittee recommended a budget of \$23,174,228 total funds including \$17,468,121 General Fund, \$2,558,120 Lottery Funds, and \$3,147,987 Other Funds expenditure limitation. This program has no positions.

Capital Improvement

The Capital Improvement program area maintains the Department's investments in capital assets through improvements and renewal of obsolete facilities for projects, which are fully capitalized or cost less than \$1 million. The Subcommittee recommended a budget of \$10,651,626 Other Funds expenditure limitation. The program has no positions.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Forestry
Sione Filimoehala -- 971-707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 445,418,702	\$ 2,557,080	\$ 708,372,081	\$ -	\$ 81,911,546	\$ -	\$ 1,238,259,409	1,431	1,075.02
2025-27 Current Service Level (CSL)*	\$ 157,480,636	\$ 2,558,120	\$ 390,788,707	\$ -	\$ 56,752,010	\$ -	\$ 607,579,473	1,415	1,085.24
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 008 - Agency Administration									
Package 104: Workforce Development									
Personal Services	\$ -	\$ -	\$ (54,995)	\$ -	\$ -	\$ -	\$ (54,995)	1	(0.25)
Services and Supplies	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000		
Package 106: Payroll Transfer to DAS									
Personal Services	\$ -	\$ -	\$ (500,586)	\$ -	\$ -	\$ -	\$ (500,586)	(2)	(2.00)
Services and Supplies	\$ -	\$ -	\$ 828,300	\$ -	\$ -	\$ -	\$ 828,300		
Package 804: Position Rebalance									
Personal Services	\$ (112,797)	\$ -	\$ (114,520)	\$ -	\$ 428,752	\$ -	\$ 201,435	0	(0.25)
SCR 010 - Fire Protection									
Package 104: Workforce Development									
Special Payments	\$ (24,743)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,743)		
Package 106: Payroll Transfer to DAS									
Special Payments	\$ 129,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,727		
Package 802: Vacant Position Reductions									
Personal Services	\$ (86,260)	\$ -	\$ (120,251)	\$ -	\$ -	\$ -	\$ (206,511)	(1)	(1.00)
Services and Supplies	\$ (12,500)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,500)		
Package 804: Position Rebalance									
Personal Services	\$ (1,755)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,755)	0	0.00
SCR 020 - Equipment Pool									
Package 801: LFO Analyst Adjustments									
Capital Outlay	\$ -	\$ -	\$ 12,000,000	\$ -	\$ -	\$ -	\$ 12,000,000		
Package 804: Position Rebalance									
Personal Services	\$ (673,251)	\$ -	\$ 673,251	\$ -	\$ -	\$ -	\$ -	0	0.00
Services and Supplies	\$ (65,146)	\$ -	\$ 65,146	\$ -	\$ -	\$ -	\$ -		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 050 - Forest Resources									
Package 105: Urban & Community Forestry									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	500,000	\$ -	\$ 500,000	
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ -	27,500,000	\$ -	\$ 27,500,000	
Package 106: Payroll Transfer to DAS									
Special Payments	\$ 60,431	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 60,431	
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ 4,500,000	\$ -	\$ 7,700,000	\$ -	\$ -	-	\$ -	\$ 12,200,000	
Special Payments 6060 Intr-Ag GF Transf	\$ 2,000,000							\$ 2,000,000	
Special Payments	\$ (500,000)	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ (500,000)	
Package 804: Position Rebalance									
Personal Services	\$ (39,571)	\$ -	\$ (109,171)	\$ -	\$ -	(138,364)	\$ -	\$ (287,106)	(1) (0.82)
TOTAL ADJUSTMENTS	\$ 5,174,135	\$ -	\$ 20,402,174	\$ -	\$ -	28,290,388	\$ -	\$ 53,866,697	(3) (4.32)
SUBCOMMITTEE RECOMMENDATION *	\$ 162,654,771	\$ 2,558,120	\$ 411,190,881	\$ -	\$ -	85,042,398	\$ -	\$ 661,446,170	1,412 1,080.92
% Change from 2023-25 Leg Approved Budget	(63.5%)	0.0%	(42.0%)	0.0%	3.8%	0.0%	(46.6%)	(1.3%)	0.5%
% Change from 2025-27 Current Service Level	3.3%	0.0%	5.2%	0.0%	49.8%	0.0%	8.9%	(0.2%)	(0.4%)

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

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Agency: Department of Forestry

Mission Statement:

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. CUSTOMER SERVICE TO COUNTY 'GOVERNMENTS AND FOREST LANDOWNERS - Percent of Oregon's forested counties and forest protective associations rating that ODF programs collectively provide "good" or "excellent" customer service: overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved	83%	95%	95%
	Overall		83%	95%	95%
	Helpfulness		83%	95%	95%
	Expertise		83%	95%	95%
	Timeliness		67%	95%	95%
	Accuracy		80%	95%	95%
2. BOARD OF FORESTRY PERFORMANCE - Percent of total best practices met by the Board of Forestry.		Approved	84%	100%	100%
3. FOREST PRACTICES ACT COMPLIANCE - Percent of forest operations that are in compliance with the Forest Practices Act		Approved	96%	100%	100%
4. URBAN AND COMMUNITY FOREST MANAGEMENT - Percent of Oregon cities actively managing their urban and community forest resources.		Approved	30%	50%	50%
5. STATE FORESTS TOTAL REVENUE - Percent increase in total revenue produced by State Forests		Approved	-2.60%	2%	2%
6. AIR QUALITY PROTECTION - Total number of smoke intrusions into designated areas per total number of units burned.		Approved	0.001	0	0
7. PERCENTAGE OF PRIVATE FORESTLAND MANAGED AT OR ABOVE FOREST PRACTICES ACT STANDARDS. - Percentage of industrial private forestlands managed under an approved certification system, stewardship agreement, or other approved management plan including wildlife habitat conservation and management plans	a) Percentage of total industrial private forestlands managed under an approved system, agreement, or plan	Approved	74%	90%	90%
	b) Percentage of non-industrial private forestlands managed under an approved system, agreement, or plan		9%	25%	25%
8. FOREST STREAM WATER QUALITY - Percent of monitored stream sites associated predominately with forestland with significantly increasing trends in water quality.	a) Percent of monitored forested stream sites with significantly increasing trends in water quality	Approved	5%	25%	25%
	b) Percent of monitored forested stream sites with significantly decreasing trends in water quality		14%	5%	5%
	c) Percent of monitored forested stream sites with water quality in good to excellent condition		75%	80%	80%
9. VOLUNTARY PUBLIC AND PRIVATE INVESTMENTS MADE TO CREATE HEALTHY FORESTS - Cumulative public and private forest landowner investments made in voluntary projects for the Oregon Plan for Salmon and Watersheds or for the Oregon Conservation Strategy.		Approved	\$112.25	\$112.50	\$112.50

SB 5521

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
10. STATE FORESTS NORTH COAST HABITAT - Complex forest structure as a percent of the State Forests landscape.		Approved	11.38%	30%	30%
11. FIRE SUPPRESSION EFFECTIVENESS - Percent of wildland forest fires under ODF jurisdiction controlled at 10 acres or less.		Approved	94.07%	98%	98%
12. PREVENTION OF HUMAN-CAUSED WILDLAND FOREST FIRES - Number of Oregon residents per human-caused wildland forest fires. (population expressed in thousands of residents) This metric measures the ability to maintain or reduce the number of human-caused wildfires as the population of Oregon increases. An upward trend indicates a positive result.		Approved	5.210	5.300	5.300
13. DAMAGE TO OREGON FORESTS FROM INSECTS, DISEASES, AND OTHER AGENTS - Percent of forest lands without significant damage mortality as assessed by aerial surveys.		Approved	93.54%	99%	99%

LFO Recommendation:

The Department of Forestry will work with the Oregon Board of Forestry, as well as the Department of Administrative Services, Chief Financial Office, and the Legislative Fiscal Office, to evaluate the Department's key performance measures and propose meaningful updates during the 2025-27 biennium.

The Legislative Fiscal Office recommends approval of the proposed key performance measures and targets, as presented.

SubCommittee Action:

The Natural Resources Subcommittee approved the Key Performance Measures and targets, as presented.