

Committee for Family Forestlands (CFF)
Minutes
December 15, 2010

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

Committee members present:

Rex Storm	Craig Shinn
Susan Watkins	Sarah Deumling
Rick Barnes	Roje Gootee
Mike Cloughesy	

ODF Staff present:

Jim Cathcart
Kevin Weeks

Guests:

Al Elkins, Oregon Hunters Lobbyist
Joe Ricker, Oregon Hunters Assn

A. Review of Agenda

- Agenda Item F moved up for discussion prior to Item D.
- SB 513 Ecosystems Markets Report (Jim Cathcart) added to Agenda Item G

B. Discussion / Approval of November Minutes

- November minutes were revised for clarity and approved as amended.

C. Ongoing Topics & Brief Updates

- Next Oregon Small Woodlands Association (OSWA) Board meeting to be held in Salem on February 3rd and again June 24 & 25 (Roje Gootee will attend if available) in Baker City. Sara Deumling elected by acclamation. Roje, Sara Leiman back-ups.
 - **ACTION: OSWA meeting schedule - Board - local chapters - links/cross links (Jim James). Cloughesy - host calendar on Partnership in Forestry Education.**
- Environmental Quality Commission (EQC) - John Blackwell understands concern that we are raising and committee concerns.
 - Concern: (see letters to the Board of Forestry on this topic)
 - Governance issues -
 - Understands committee's policy concerns
 - Historic relationship between the Board and Environmental Quality Commission on water quality regulation
 - Policy implementation - Commission develops water quality standards, Board of Forestry adopts best management practices for meeting the standards through the Oregon Forest Practices Act
 - This relationship has been challenged by some recent events (Coastal Zone Management Act; Ninth Circuit Decision on Point Source runoff from forest roads). Committee wants to be clear about its concerns.
- Interview Questions for State Forester
 - Roje - letter drafted based on committee's suggestions
 - **ACTION - Will finalize and submit to selection committee.**
 - Board of Forestry preliminary executive session on 12/20/2010
 - Screening committee: Sybil Ackerman, John Blackwell, Gary Springer
 - Strong set of candidates - won't know top 3 until end of January or early February.

- Forest Cluster Working Group:
 - Next public meeting is January 18, 1:30 - 4:30 p.m., World Forestry Center (Handout 1).
 - Strengths/weaknesses/opportunities/threats - What can state government do to address?
 - Sarah D. - Role in small value-added manufacturers - important group
 - Craig S. - Legislature would be addressing the key question—Is state government organized correctly?
 - Mike C. - Secondary manufacturers are on the group. Got 30 out of the 50 invited—bigger response than expected. Benjamin Barron, Wood Grain Millwork; Bryan Goochredd, Upstream 21; Ryan Temple, Sustainable NW Wood
 - Jim James, Rex Storm and Mike Cloughesy will be attending. Sarah D. very interested.
 - ACTION: Update at January 27th CFF meeting from members that attended this meeting. Will assess CFF strategy at that time. Small woodland owners will have a voice; will be heard. Specific attention on intermediaries--contractors, consultants.
 - Family forestland owners are price takers. They don't structure the market.
 - Intermediaries are so important. Will they get lost in the discussion?
 - Rex will be representing the small intermediary operator. Seeing an erosion of the diversity of this group in types of operations.
 - Could there be a role for the Partner website?
 - Challenge: Has to connect family forestland owners to these intermediaries?
 - Could there be a role for the Partner website?

F. Work with OSWA; Upcoming Legislative Session

- #1 priority - funding for ODF and OSU Forestry Extension. Extension is critical to the success of local OSWA chapters.
- Issues to watch:
 - Tax Program - small tract option identified as costing more than it is bringing in.
 - Sarah D. - Lack of tax receipts skewed due to drop - off in harvest due to the recession
 - Being proposed to eliminate the program - cost of administration exceeds tax receipts collected
 - Alternative - Look for opportunity to reduce cost of administration:
 - a. Dept. of Revenue feels it has to do an analysis on eligibility (landowners between 10 to 5,000 acres)
 - b. Change in ownership - Dept. of Revenue feels they have to repeat the same bureaucratic process on analyzing eligibility.
 - Agricultural lands can build pole structures on their property but not forestland owners
 - Water quality issues
 - DEQ - rulemaking regarding water quality toxics that would require a total maximum daily load (TMDL) calculation
 - Modifying the inheritance tax
 - Both national and the state. Current discussions are not enough.
- Craig S. -- Legislative session is going to focus on the fiscal crisis—expenditures vs. revenues. Forestry is a small part of this. Substantive topics will fall into the slipstream -- doesn't expect much action

- **ACTION:** Jim James to send Committee OSWA's List/Write-Up of legislative priorities attached to the minutes (see Handout 2). Add to January agenda a more detailed presentation of OSWA legislative priorities.

D. Consolidated Division - Update on Strategy Group Meeting; Review of Principles.

- The Strategy Group looking for efficiencies in ODF organization met last December 1st and will meet again next week (December 21st). Craig Shinn, Jim James, and Rex Storm have been attending the Strategy Group meetings.
- Craig handed out the conceptual organizational chart developed by the Strategy Group. The chart shows the current Department Division Structure vs. a proposed Department Division structure that incorporates a proposed Forests Protection Division that combines the Protection from Fire and Private Forests programs. A lot of support for this concept. Idea is that Fire Protection now has all the components of the Private Forests Program.
 - Result is that there will be 2 operating divisions within the Department - Forest Protection and State Forests - and 2 staffing divisions - Resource Planning and Policy and Administration. Sub boxes show anticipated organizational divisions within the new Forest Protection Division.
 - Rex pointed out that the Department's line organization (Area Directors, District Foresters) is not shown on the chart.
 - Sarah Deumling asked about the Community Forestland Protection "Box."
 - This box was designed as a grab bag of urban forestry, stimulus money (fuels treatments), forestry assistance functions - essentially the federally funded program areas.
 - Roje suggested that the name gives the misleading perception that Private Forests are Community Forests.
 - Jim James mentioned that the Strategy Group suggested that this "box" be dropped - better to have the functions integrated within the other program areas (Fire Protection, Smoke Management, Fire Prevention, Forest Protection Laws, and Forest Health Protection).
- The Strategy Group is considering changing the name of Stewardship Foresters to Forest Protection Forester or Forest Protection Officer.
 - Better reflects use of General Fund \$\$\$\$ - communicates public benefit. Stewardship of assistance communicates that only the landowners benefit, so the only the landowners should fund.
 - Susan wondered, Who would call the "Forest Protection Officer" for assistance?
- Mike asked if the new organization will have the capacity to grow landowner assistance should U.S. Department of Agriculture Natural Resource Conservation Service \$\$\$\$ become available to fund technical assistance.
- Jim James - OSWA adamant that the burden on landowners not be increased beyond the 50-50 public-private funding share for fire and 60-40 public-private funding share for forest practices.
- Jim James - Understanding is that the budget would be simplified as a result of the consolidation. Field personnel could provide an integrated suite of services to landowners without having to worry about what their funding is. Is this correct?
 - Cathcart - Not really. Budget will stay siloed for 2011-13 biennium. Will be just as complicated - perhaps even more so. The initial focus on consolidation is efficiencies in delivering services:
 - Use of fire personnel in winter to perform forest practices.
 - Recognition that forest practices personnel perform key functions in fire season.

- Budget scenarios (25% reduction, 15% reduction) are already developed. Private Forest reductions are the same regardless of consolidation. The difference is that, under consolidation, location of \$\$\$\$ for forest practices and related services will be more peppered in field positions located in the local Unit/District offices instead of more centralized in the Area Offices.
- Assuming efficiencies are achieved, budget consolidation wouldn't happen until the 2013-15 biennium.
- Jim James - What about the property tax proposal for lands within the urban-rural interface? Landowners won't go for this proposal until melding the 50-50 and 60-40 split is figured out and the public (General Fund) share is anchored in.
 - Cathcart - The proposal does not include that proposal. Again, near-term the focus is consolidating to gain efficiencies in program delivery with same amount of limited \$\$\$\$ - regardless of what reduction scenario is adopted.
 - However, it is hoped that the consolidation idea would better protect the combined functions from taking reductions (i.e., flat budget scenario) - as opposed to just hanging Private Forests out there to take all the reductions before Fire has to take reductions.
 - Could be that the property tax proposal might spur the legislature to look at combining/simplifying the budgets. The Department might ask for a 1 year exemption from cuts to figure this out and come back to legislature with consolidated budget options prior to 2013 biennium.

Review and Evaluation of Principles:

- Cathcart reviewed the handout - *Suggested Guiding Principles for Developing a Department of Forestry Forest Protection Division (12/06/10)*. The Committee discussed the "Function and Priority Principles" on page 2. (Handout 3). Committee mark-ups are shown in Handout 4.
- Principle #3 - Associations refers to Fire Protection Associations
- Principles #3 and - Jim James suggested the goal is not "to allow the continued role of landowners" but "to work in partnership with landowners."
 - In general - the whole concept of partnership is missing
 - Public-private partnership is a fundamental foundation of the consolidation.
 - Craig -- This should be added as an overarching principle or goal and objective on page 1 and repeated throughout page 2.
- Rex pointed out that the principles are too exhaustive and thorough - to their detriment. Functions are still siloed.
 - Still looks like we are talking about 2 programs. The first 6 bullets relate to fire protection. The next 7 to forest practices. Need to eliminate this.
 - With small tweaks - the 6 bullets for fire could relate to forest practices and the 7 bullets for forest practices could relate to fire. Compelling need to form principles for the "integrated" protection program. For example, monitoring is important to forest practices but also important to smoke management/fire protection.
- Roje said her overarching concern is that the orientation of the principles is reactive, not preventative (the exception being aerial survey).
- Rick: Doesn't really address efficiency, e.g. - the goal of the proposal is to develop a structure that not only best meets the organization priorities but also accomplishes this goal in the most efficient and cost-effective manner. Cost-effectiveness will be an essential component of selling the plan to the legislature, taxpayers, and landowners.
 - Craig - That seems covered in overarching goals.
 - Jim James - Yes, but wouldn't hurt to repeat throughout.

- Mike - What we are trying to do is maintain what we feel is important [with respect to resource protection] with less money.
- Susan - Are we thinking about a new way of protecting Oregon's forests or is this simply a repackaging of what we currently want to do? We really need to get out of the silos - not there yet. Reality - both programs are the same task. Keeping forests healthy achieves fire protection.
- That is why technical assistance is so important - but perhaps we fail to communicate it that way (technical assistance -healthy forests - lower costs of fire protection).
- Rex - Encourage the willing stewardship of landowners to "do the right thing" - incentives, prevention, forest health.
- The 13 principles do not represent a high enough ambition. Public benefits/private benefits. Partnership. Manage Healthy Forests.
- Roje - Need to position landowners as allies in achieving this ambition.
- Landowners recognize ODF's role and importance to them. What is missing - is recognition that public goods flow from private forestland management (and landowner assistance programs).
- Cathcart - ODF has been working to communicate that message for years - i.e., that assistance that works and meets landowner's objectives provide a flow of public benefits.
 - That is the fundamental premise to the state and federal assistance dollars.
 - Message needs to come from organizations outside ODF like The Nature Conservancy or The Defenders of Wildlife. - But such organizations seem to be looking for the landscape "homerun" - e.g., oak savanna restoration. Do not recognize that rocking the roads and keeping the ditches clean does so much more for maintaining important resources.
 - The home runs mean little if we do not maintain the capacity to keep forestlands managed sustainably - stewardship of water, wildlife, etc.
 - We are currently losing this assistance capacity - but the discussion (i.e., ecosystem services markets) is focused still on just the home runs.
- Principle #10 -- Rick - Do not just want to follow the federal dollars. Some of the federal dollar paths are not necessarily what is needed by landowners (e.g., biomass assistance in Douglas County). Need to be in position to change course of outside money.

New Principles suggested by CFF:

- #14 Public-private partnership is a fundamental foundation of the consolidation.
- #15 Managing for healthy forests reduces the cost of resource protection in the long run.
- #16 Consolidation must maintain capacity to effectively provide technical assistance and landowner support functions.

Prioritization:

- Instead of Fire Protection being the highest priority - integrate with Healthy Forests.
- Mike - Maintain social license - credibility of Forest Practices Act.
- Craig led the Committee through an exercise - rate each principle as falling into either "HIGH", "MEDIUM" or "LOW" categories. (Tally reflects number of those voting who placed the principle in each category.) We prefaced this rating as evaluating all of these as "above the bar," so that the group is evaluating the highest of the high, the medium of the high, and the lowest of the high. We did ask if any should be dropped, and decided that we should not drop any, though we discussed combining some. See concluding discussion notes.

Green shaded rows indicate the Committee’s top 6 priority principles based on number of members that placed in “HIGH” category.

#	Principle	HIGH	MEDIUM	LOW
1	Fire protection remains the Agency’s highest priority, because of the public safety, immediate risk to forest resources, and emergency nature of the function.	4	2	2
2	The structure of the new division must compliment and improve the complete and coordinated statewide fire protection system, which provides adequate detection, pre-suppression and suppression resources for initial attack and large fire management	2	4	0
3	Must allow the continue role of landowners / Associations in analysis and review of fire protection plans and budgets	1	4	2
4	The mission and objectives of the Private Forests Program directly provide the front-end prevention work that makes the fire program successful. By working with forest landowners to improve and maintain healthy managed forests and by helping landowners meet their forest practices objectives, stewardship foresters directly reduce the cost of wildfire suppression and reduce the probability of human caused fires	6	1	0
5	Employees of the Private Forest Program are an integral part of the Fire Program. The same employees that administer the Forest Practices Act, administer forest fuel reduction activities and provide resource protection are the employees that become the front line managers for rapid initial attack and large fire management	3	2	2
6	Ensure a regulatory environment that maintains the credibility of the Forest Practices Act as the one-stop shop for resource protection. Maintain the social license to practice forestry on Oregon’s private forestlands. Keep working forests working	7	0	0
7	Defines priorities for implementing, enforcing, and monitoring forest practices regulations to ensure an efficient and effective delivery system for a given budget level	2	5	0
8	Ensure capacity to conduct compliance auditing of forest practices	2	5	0
9	Forest Practices resources should be distributed across all districts, in a manner that maintains an adequate level to allow effective delivery of forest practices regulation, while preserving initial attack and large fire management structure (e.g., use forest officers, wildland fire supervisors for forest practices function)	3	2	2
10	Maintains aerial survey capacity for early detection and response to forest health threats (invasive species, insects and disease outbreaks and invasive species). Provides effective technical insects and disease advice on non-federal forestlands	5	2	0
11	Design delivery of federally-funded fuel reduction projects, forest health treatments, and improved management planning in a manner that complements capacity in forest protection (e.g., obtain and use federal funds to maintain forest health)	4	1	2
12	Prioritize key technical capacity (e.g., geotechnical specialist, hydrologist, wildlife) that supports forest protection laws and healthy forests to add back as additional resources become available	7	0	0
13	Prioritize key effectiveness monitoring capacity (e.g., riparian specialist, statistical analysis) that supports forest protection laws to	5	1	1

#	Principle	HIGH	MEDIUM	LOW
	add back as additional resources become available			
14	Public-private partnership is a fundamental foundation to the consolidation	6	1	0
15	Manage for healthy forests lowers the cost of resource protection in the long run	3	3	1
16	Consolidation must maintain capacity to effectively provide technical assistance and landowner support functions	1	5	1

Recommendations:

- Principles as currently written still speak to two separate programs - fire, forest practices. Siloed. Next version needs to expand language that is more universal to the new Forest Protection Division.
- Combine (should have no more than 8 principles). Here are some quick examples - without the benefit of extended discussion or specific recommendation:
 - #1, #2, #3, #5 and #9 since they all relate to effective fire protection.
 - #12 and #16 since they both relate to building Department capacity.
 - #7, #8, and #13 since they all relate to monitoring.
 - #6 and #14 since they both relate to working together with partners.
- Shoot for a higher aspiration- see CFF general recommendations.
- Overarching Principles (Page 1) - See mark-ups and addition below.
 - **ACTION**
 - Cathcart to write-up the discussion ASAP.
 - Send to Susan Watkins - cc: Craig Shinn, Kevin Weeks, Peter Daugherty
 - Susan to distribute to the Committee for review and mark-up
 - Susan to compile and get comments back to Cathcart by Noon, Monday, December 20th
 - Cathcart to finalize; Peter to forward to Paul Bell for updating the “*Suggested Guiding Principles for Developing a Department of Forestry Forest Protection Division*” for use/discussion at Tuesday, December 21st Strategy Group Meeting and beyond.

E. Working Lunch: Re-Envisioning the Committee for Family Forestlands - next steps; inviting Board member to next meeting

- Sarah Deumling’s and Craig Shinn’s terms expire in January 2011.
- Proposed CFF appointment schedule (see Handout 5)
- Discussion around a nominating committee. Outreach to identify prospects so nominating committee would get to know these folks that are unknown.
- Suggestion to form this committee. Motion to recommend bullets #1 and #2 (see Handout 5) - Motion passed.
- Possibly shorten up Greg’s term to June 30 per CFF Recommended Appointment Schedule (Handout 5) Successor “ideally” needs to be from:
 - A family-owned business
 - Family forestland owner
 - Company had a landowner assistance program

- Good rapport with Oregon Forest Industries Council

ACTION:

- BOF Consent Agenda, January 5, 2011 (Deferred to March 9, 2011)
- Craig Shinn to confirm if Greg Miller cannot complete his term.

G. Communication; Other Business

SB 513 Ecosystem Services and Markets

- Jim Cathcart led the discussion on the role of the Oregon Sustainability Board and their report to the 2011 Legislature on this bill.
 - **ACTION:** Jim C. will send copies of his Staff Report and Staff Report Attachments (Jan 5 BOF Agenda Item 2) to the CFF (Handouts 6, 7, 8 and 9).
- Jim C. - Basically saying to the BOF that we have no objections, and that we are not obligated to support any legislative concept that may be based on this report.
- Jim C. suggested we need better representation or a better approach. Perhaps a working group consisting of natural resource agencies that actually deal with these issues; Environmental Quality Commission, Fish & Wildlife Commission, Board of Forestry, Oregon Watershed Enhancement Board. Frustrating that private forest landowners are not getting credit for the day to day things they do on environmental protection.
- Craig - Need to take a cautionary approach but very important and has potential. Need to capture and find financial instruments allowing the flow of dollars to forestland owners that result from stewardship practices. If the primary incentive of this, politically, is to raise the reciprocal benefits, it creates the feeling of additional regulatory pressure. For every dollar you receive you have to spend \$5 with strings attached. Mitigation banking is a constrained system.
 - **ACTION:** Craig Shinn will draft initial comment letter and expedite for review:
 - Affirm promise of this topic to family forestlands.
 - We think there should be financial flows to landowners—keep forests/good stewardship
 - Precautionary note - What we don't want to happen.
 - ODF continue to work with other agencies, groups, interests.
 - Equity issue baseline - forestland owners vs. agriculture owners

Partnership for Education - January 11 - ODF Tillamook Room

- Strategic Planning - What are the key forestry education deliverables for landowners, forest owners, professional foresters, etc?
- Breakout sessions in the afternoon. Training areas in forest practices, forest planning, monitoring, integrated pest management, and one other.
- Coordinated with Western Forest Conservation Assn (WFCA) and Society of American Foresters (SAF).
- Susan Watkins will attend/represent CFF.

ADJOURN - Next meeting is scheduled for January 27, 2011