
4. Private Forests



**Oregon Department of Forestry
2011-13 Ways and Means Presentation
April 2011**

Private Forests

A. Overview

Mission

The Private Forests Program's mission is to protect natural resources and help maintain working forests – and their social, economic and environmental viability – into the future. This mission rests on the premise that a healthy, diverse private forest landbase provides value for all Oregonians, including watershed protection, economic activity, fish and wildlife habitat, recreation, green infrastructure and other ecosystem services.

Purpose

About 10.7 million acres of forest, 35 percent of the state's total forestland base, are privately owned. These forests are highly diverse, including large industrial ownerships, family woodlands of many sizes, and treescapes in cities, suburbs and rural residential areas. To support such diverse ownerships, the program provides landowner consultation, forest and stream health protection and enhancement, urban and community forestry, enforcement of forest resource protection laws, research and monitoring, and administration of state and federal incentive programs. In addition to private landowners, state and local public agencies turn to the program for service and expertise.

Enforcing the Oregon Forest Practices Act

The program supports Oregon's four-decade commitment to environmental protection on private forestlands through effective education and strong enforcement of Oregon's landmark forest protection law. Enacted in 1971, the Oregon Forest Practices Act (FPA) established the nation's first comprehensive set of best management practices and rules governing forest practices and safeguarding forest resources. Specifically, the FPA regulates timber harvesting, road construction and maintenance, treatment of slash following harvest, use of forest chemicals and reforestation on about 11 million acres of non-federal forestlands.

The Act requires post-harvest reforestation, and specifies best management practices that meet water quality standards, provide for the overall maintenance of soil, air, water, fish and wildlife resources, and protect certain special resources including significant wetlands, sensitive bird nesting, roosting and watering sites, and sites used by threatened and endangered species. The Act also address public safety related to rapidly moving landslides that may come from forestlands.

The program provides public assurance that Oregon's private forests are well-managed, in turn providing a stable base for continued investment in and management of private forestlands. The program staff inspects operations, enforces rules, and educates forestland owners and operators to achieve high levels of compliance with the FPA. The program also is responsible for monitoring outcomes, ensuring that the FPA and associated rules are effective at protecting resources. These functions depend on a close partnership among landowners, operators, academia and other groups.

Value to forestland owners – and to all Oregonians

Providing operators and landowners the knowledge, skills and abilities to enhance their contributions to sustainable forestry maintains intact, healthy, working forests, which in turn are an enormous asset to the state as a whole. The Woodlands Management Act (1979) encourages long-term forestry investments and promotes better management of Oregon forestlands. The Private Forests Program helps to achieve sustainable forest management on Oregon's 4.7 million acres of family forestland by coordinating a statewide, multi-agency technical assistance program. Field foresters implement this effort as funding is available. Enhanced stewardship on family forestlands is achieved through technical and financial consultation, including forest management planning, advice on young growth management activities, and riparian and wildlife enhancement projects.

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A. Overview (Cont.)

Other program activities

Protecting forest health — The Department's cooperative aerial insect and disease survey, conducted every year since 1947, is the longest-running such survey in the nation. The program also leads the fight against the Sudden Oak Death disease in Curry County, and provides technical advice and training to professional foresters, state agencies, and forestland owners on forest health issues and integrated pest management. Forest health professionals monitor and conduct research on Swiss needle cast, aspen decline in the Pacific Northwest, ozone damage to forest trees, and other issues. They detect, monitor, and eradicate invasive, non-native species. They promote forest landscape conditions that are resilient to natural disturbances, reducing environmental impacts and losses of forest resources caused by wildfire, insects, diseases and other agents. They assist the Department's field foresters in the prevention and restoration of private forestland affected by bark beetles. In the 2009-11 biennium, the forest health program obtained over \$4.6 million in federal funds to improve the health of Oregon's forests.

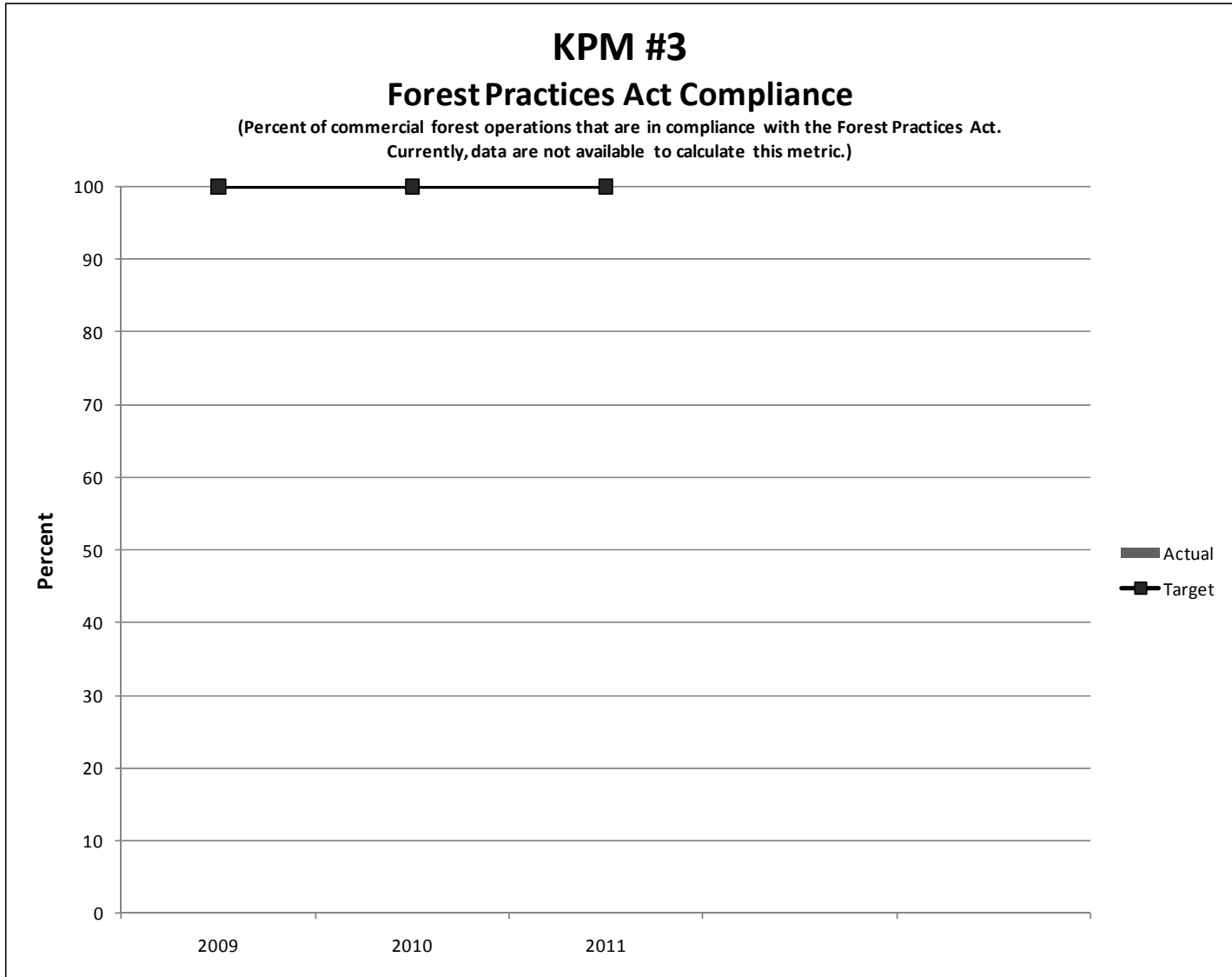
Assisting communities — The Urban and Community Forestry (U&CF) program helps Oregonians improve their quality of life by promoting community investment in our urban forests. The U&CF staff manages the Tree City USA program and supports other agency functions including public affairs, fire information, and tree issues and forest practices in Oregon's growing communities and urban/rural interface areas. The program helps fulfill the Board of Forestry's goal to support programs that enhance urban and community forest values and that increase Oregonians' understanding of the important role of forests. The U&CF staff primarily serve municipal governments, other public agencies, and non-profit organizations. Particularly in smaller cities, they provide technical expertise that wouldn't otherwise be available. Urban trees are now recognized as playing important roles in intercepting storm water runoff and maintaining healthier fish-bearing streams and rivers. Urban foresters deal with wide-ranging natural resource challenges that include eradicating invasive species and helping residents make their homes safer from wildfire. This completely federally funded program, with 3.25 FTE, leverages and supports \$11 million in local urban forestry expenditures.

Pioneering new approaches to sustainable forestry — The program is a statewide leader in developing new means of enhancing management of forest resources. The program contributes to the scientific basis for carbon-offset storage by Oregon's forests; supports development of woody biomass energy facilities; and administers a program that provides a framework for incentives for landowners who choose to exceed legally required land management standards. In its work to encourage innovative approaches, the program:

- Recently negotiated a programmatic Safe Harbor Agreement for Northern Spotted Owls with the U.S. Fish and Wildlife Service. This agreement, when implemented through the program's Stewardship Agreement, can provide regulatory certainty to those forestland owners who voluntarily improve owl habitat.
- Actively encourages Oregon Plan voluntary measures to restore and enhance salmon habitat. The Oregon Plan has stimulated millions of dollars in investments and restoration of thousands of stream miles.
- Is examining ways to increase the amount of forestland that has been certified by independent third parties as being managed sustainably. One effort involves developing a family forestland management plan template that is accepted by third-party certifiers in Oregon, and by all state and federal agencies that use plans to provide incentives.
- Manages the Forest Resource Trust (FRT) to provide incentives and technical assistance to non-industrial private forestland owners for stand establishment and improved management of forestlands for timber, wildlife, water quality, and other environmental purposes.

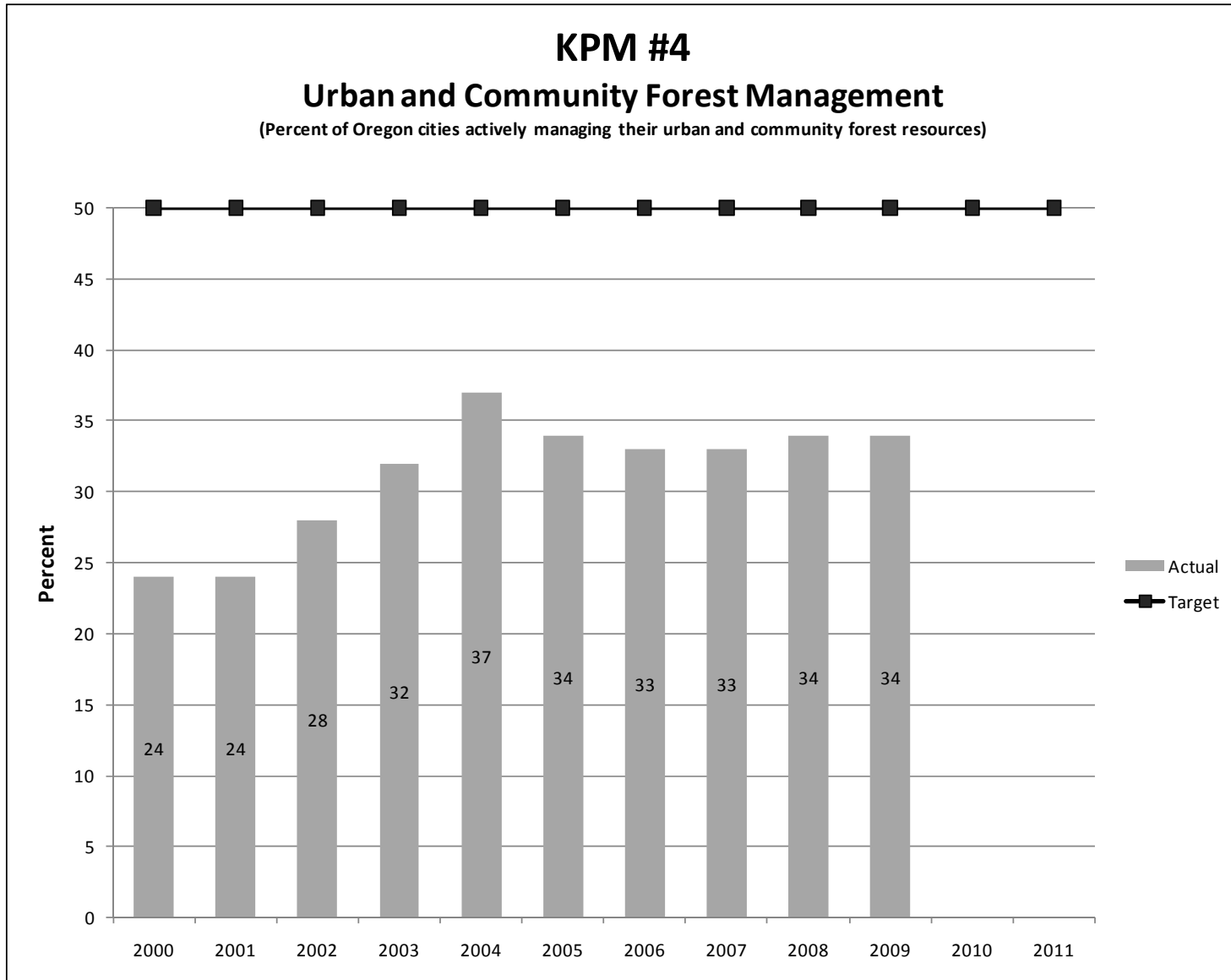
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B. 2011-13 Key Performance Measures



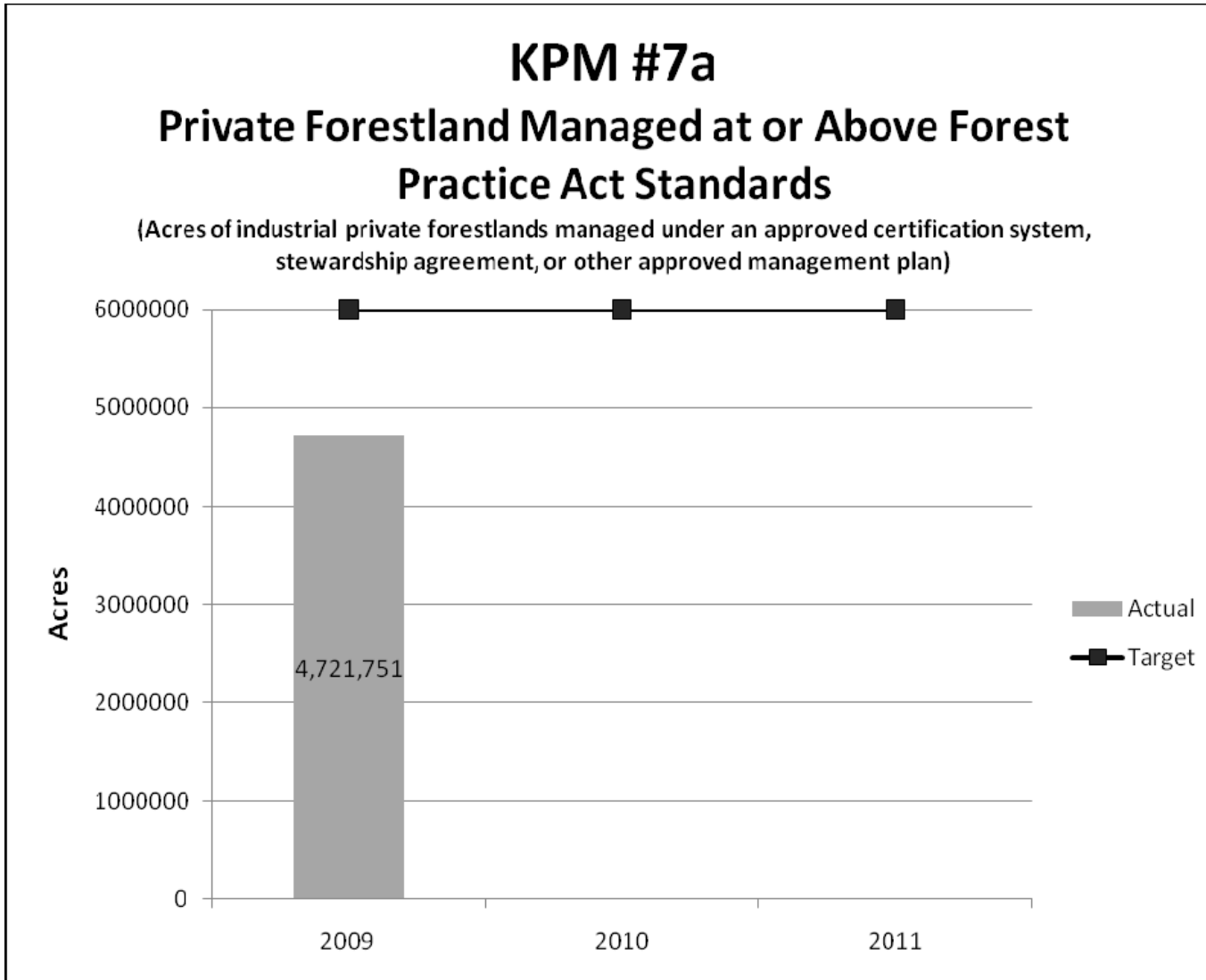
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B. 2011-13 Key Performance Measures (Cont.)



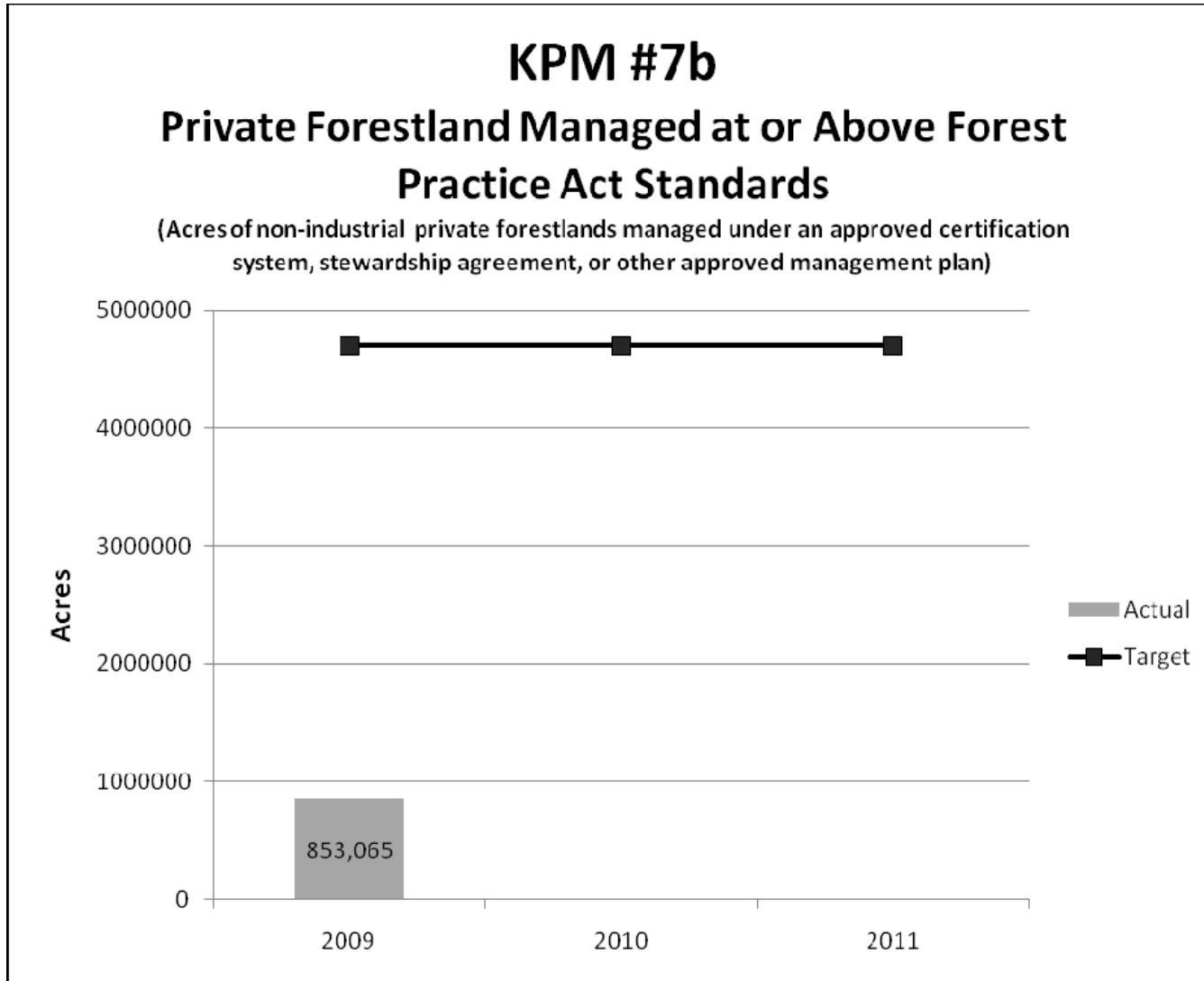
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B. 2011-13 Key Performance Measures (Cont.)



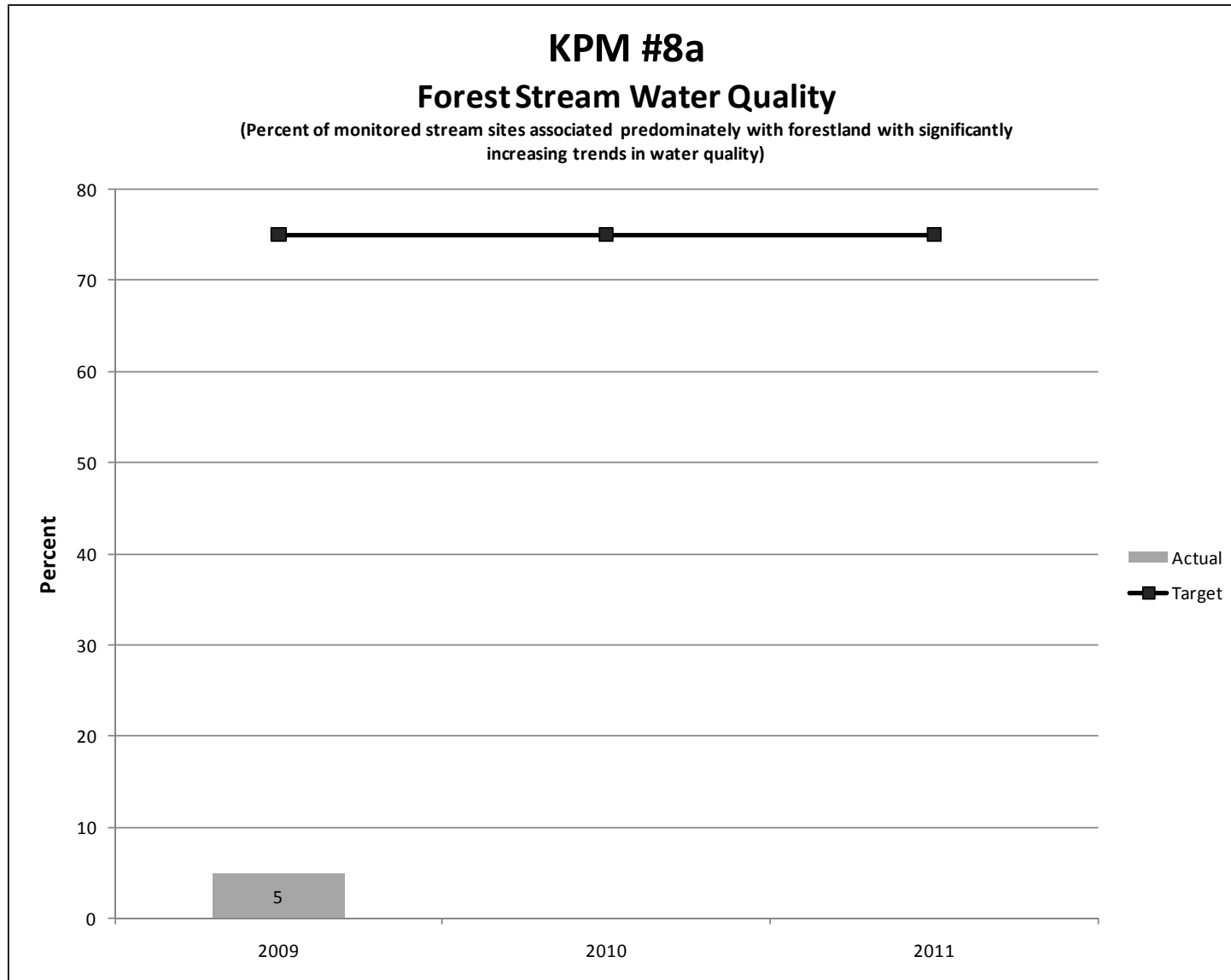
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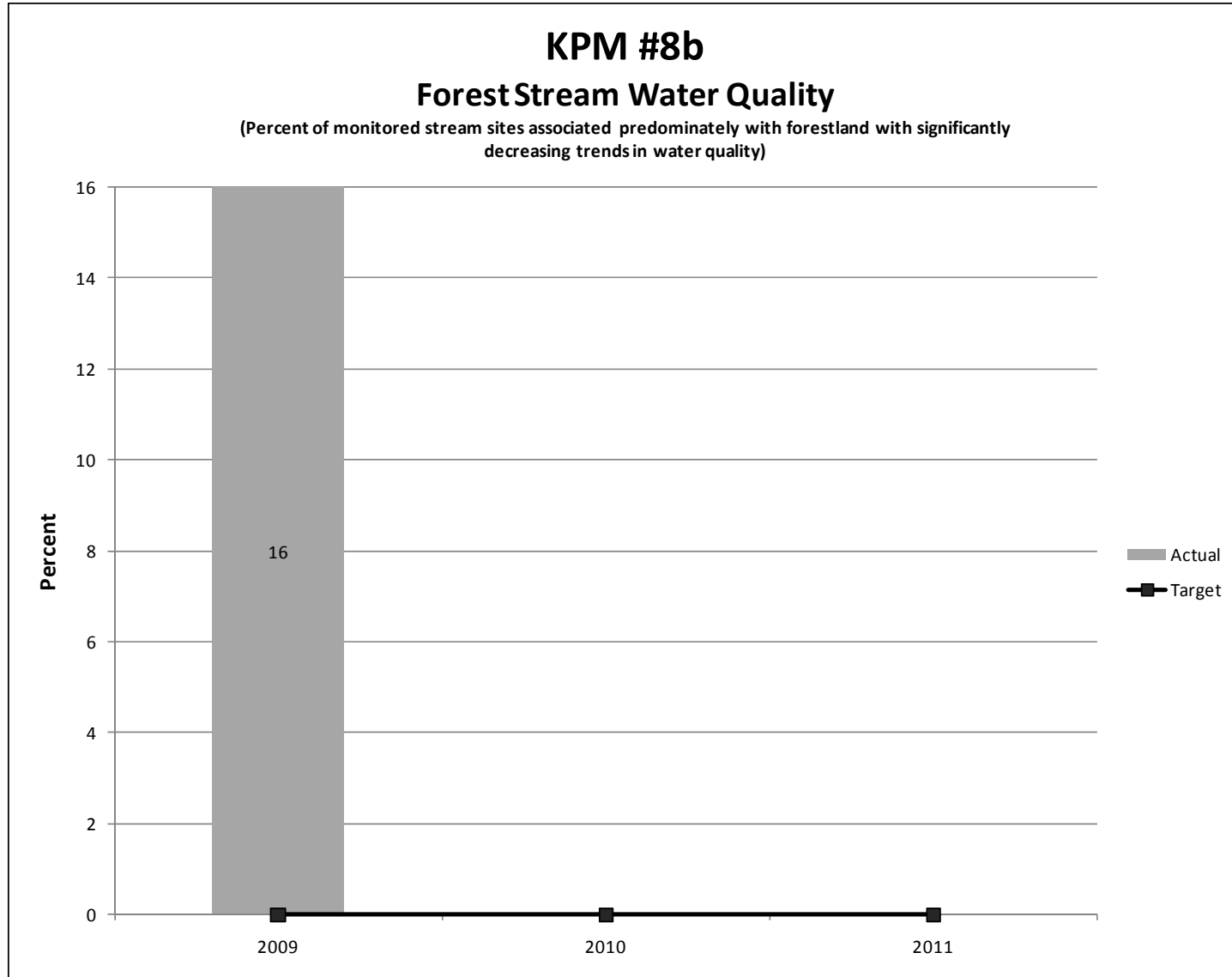
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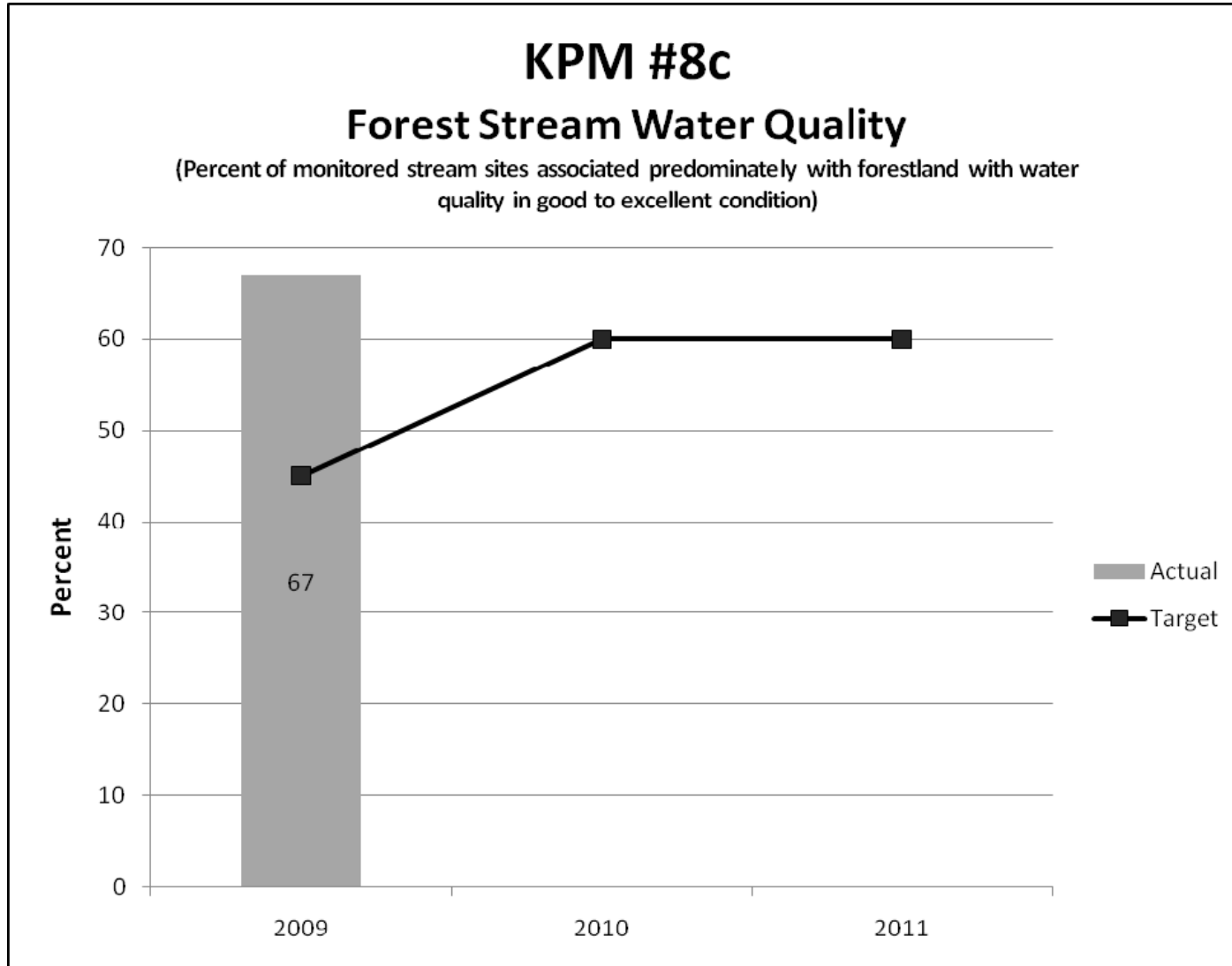
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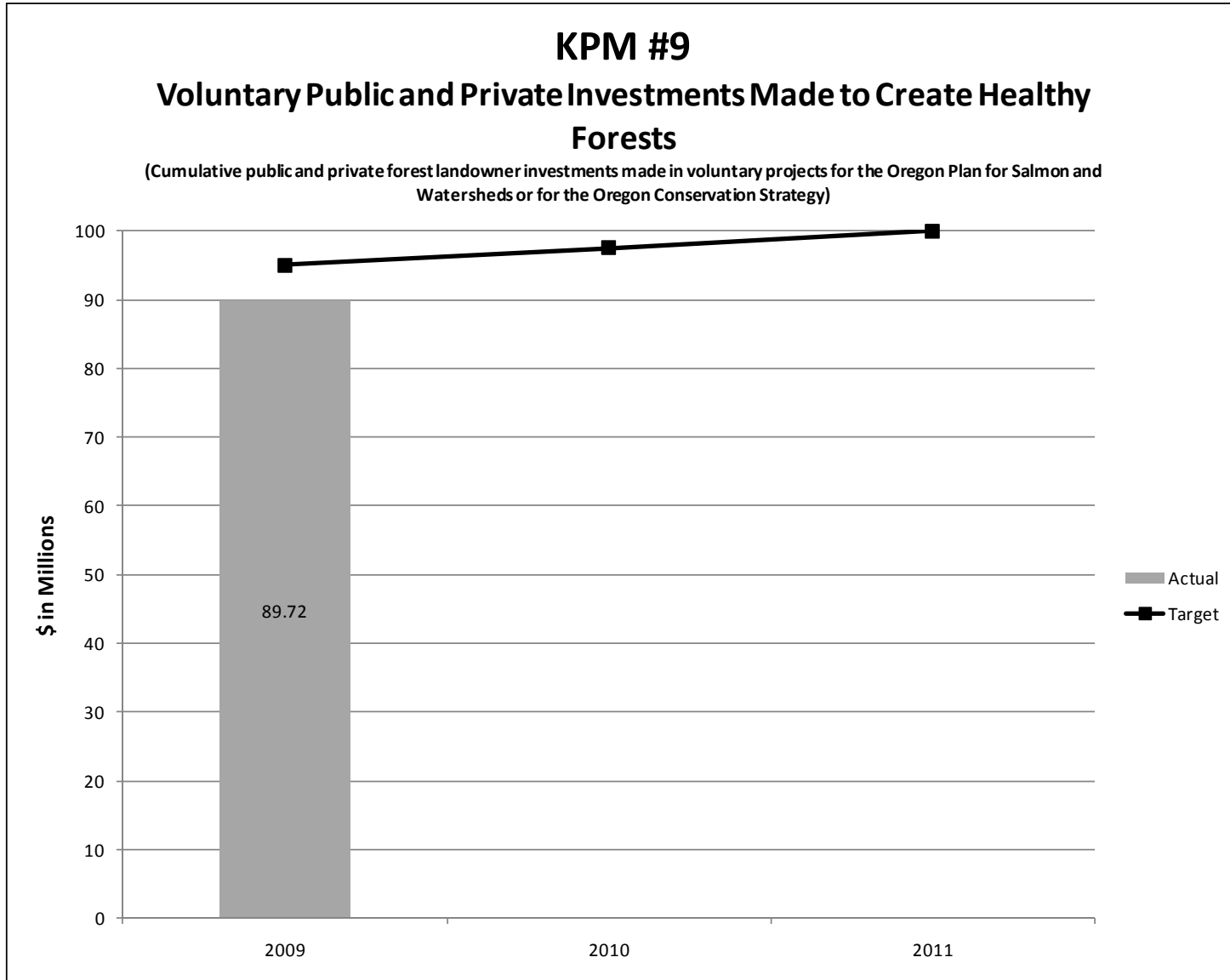
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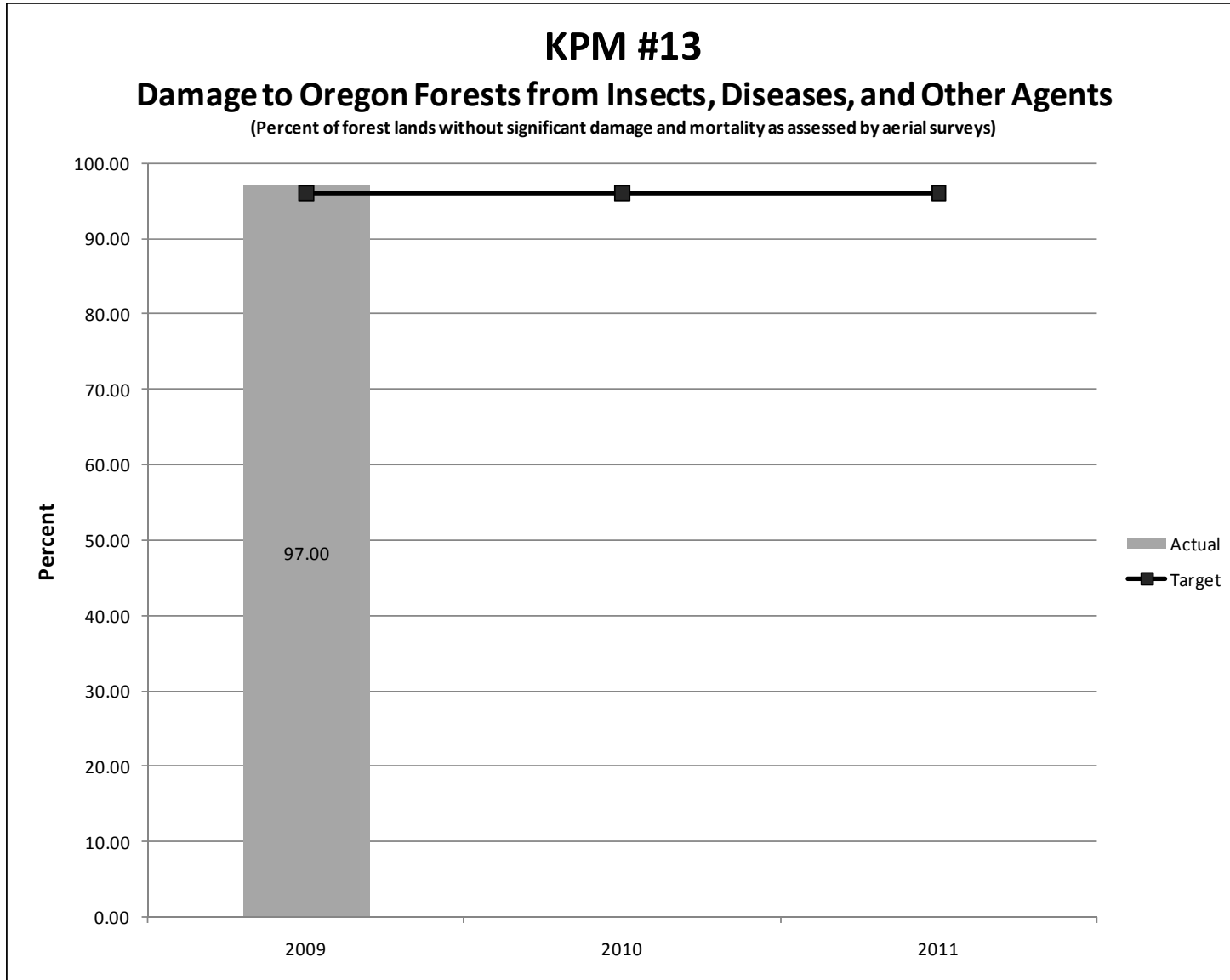
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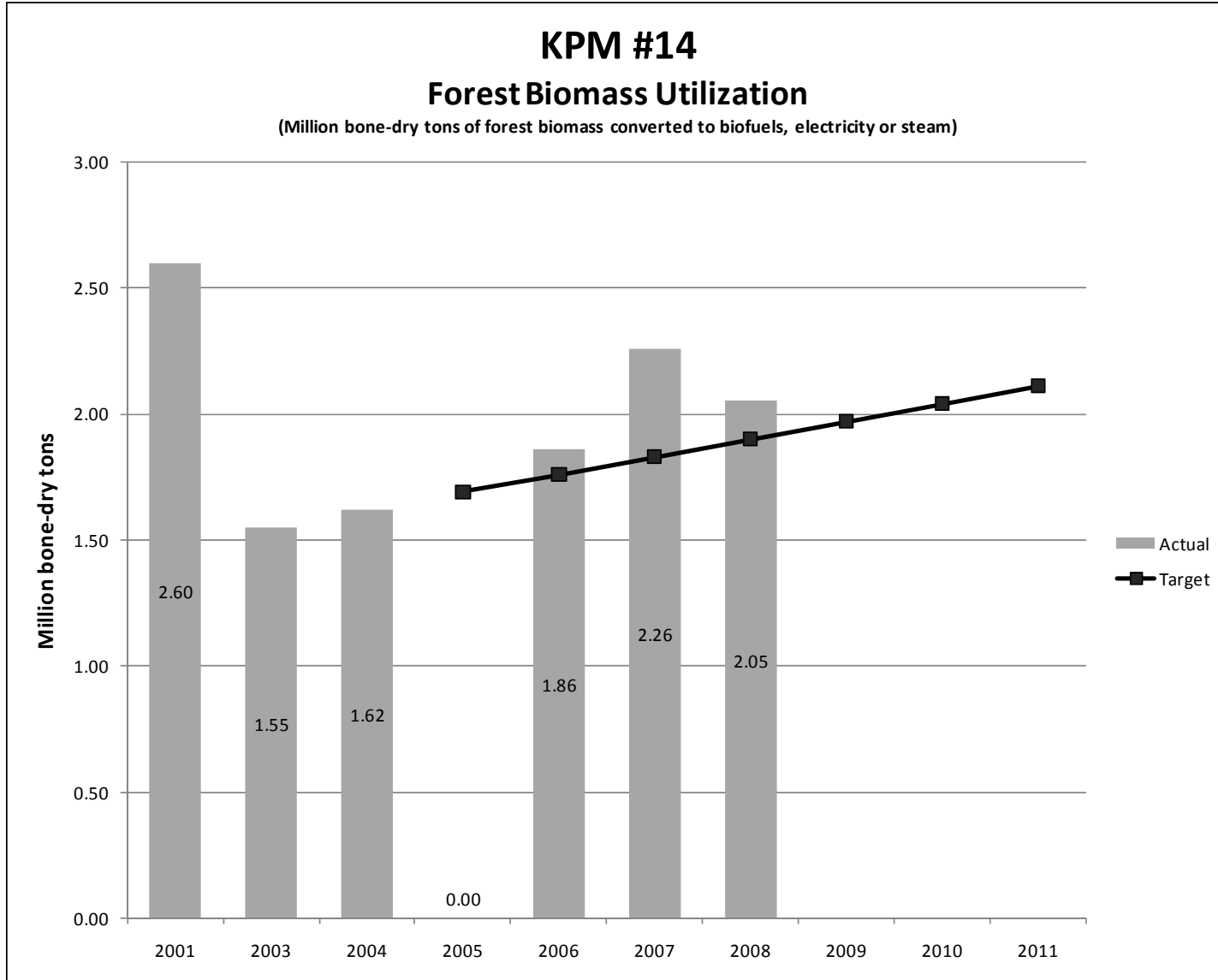
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B. 2011-13 Key Performance Measures (Cont.)



Private Forests

B. 2011-13 Key Performance Measures (Cont.)



Private Forests

C. Key Budget Drivers and Major Issues

INTRODUCTION

The success of the Private Forests Program depends on shared responsibility and partnerships among stakeholders, forestland owners/operators, and the Department. The program gains compliance with the Forest Practices Act by maintaining an effective balance of science-based rules, incentives, technical assistance, and uniform enforcement. The Program's field foresters provide the critical on-the-ground implementation of this approach. The program promotes high levels of stewardship through a range of voluntary methods including cost-share, stewardship planning, Oregon Plan support, and management planning assistance. The program monitors and responds to forest health threats, including invasive species. The program supports sustainable forestry from the urban core to rural wildland forests. The program historically has been funded with a mix of General Fund, landowner dollars, and Federal funds, an acknowledgement of the public benefits derived from healthy, working private forestlands. Erosion of the public share of funding has diminished the program's ability to achieve its mission – at a time when forests face a variety of serious risks.

POLICY DRIVEN

- 1. Increasing trend toward conversion and fragmentation of forestlands** — As Oregon's population grows, more forest tracts face conversion or heightened risk of conversion to other uses, with permanent loss of forest values. As development pressures, population growth, and real estate values continue to increase, forestlands – particularly those near expanding population centers – will continue to be at risk of conversion.

Approximately 300,000 acres of Oregon forest—about 5 percent of the state's private forestland—exist inside urban growth boundaries or other development zones. Another 1.8 million acres of private forest exist within one mile of developable areas. When formerly productive timberlands are converted to development, surrounding economies are affected as forest products-related jobs and infrastructure are no longer viable. Associated taxes are no longer available to support education and other local government services. With no workable return for their investment in forest management, additional forest landowners may sell for development or other non-forest land use, perpetuating the problem.

- 2. Changing forest ownership and diverse private forests** — Oregon is following a national trend away from industrial forest ownerships that manage their land to supply their own mills, towards timberlands managed as a separate profit center, or sold to Timber Investment and Management Organizations (TIMOs) and Real Estate Investment Trusts (REITs). These organizations can be more responsive to market demand for land for development or other purposes. This trend may increase parcelization, shifting land from industrial to non-industrial owners. While many of the new non-industrial owners may have a broad array of values and objectives for ownership, they often lack the knowledge to implement their objectives and are generally less able to make long-term investments in wood production. Furthermore, many family forestlands are now experiencing a shift of ownership to a younger generation. Studies indicate that the new generation often views the land differently than the previous generation and is much more likely to consider selling rather than managing the land for forest values.

Oregon's diverse private forests span the landscape from within urban growth boundaries to remote rural areas – and from very small ownerships to large ones. About 131,000 family forest holdings under 50 acres cover almost 1.4 million acres. In the midsize family forests, there are about 9,000 owners of tracts from 50 to 499 acres, covering a total of 909,000 acres. The remaining acres are in large family forests (1.7 million acres) and

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C. Key Budget Drivers and Major Issues (Cont.)

POLICY DRIVEN (Cont.)

industrial forests (6.0 million acres). Oregon's 242 incorporated cities also contain varying amounts of forest canopy, and experience diverse issues related to maintaining forest values during urbanization and development.

The changing ownership and diversity of forestlands affect the program's ability to deliver services efficiently and effectively. A recent survey of ODF field foresters shows that up to 20 percent of field staff capacity is being invested on topics relating to the wildland-urban interface forests. These foresters spend significant amounts of time educating landowners and neighbors, responding to complaints and concerns from neighboring landowners, and providing liaison and coordination with local jurisdictions on land use changes. Ongoing forestland ownership changes will continue to challenge the Department's capacity to provide services, and highlight the need to develop new and innovative landowner and institutional strategies.

3. **Changing Social Expectations and Increased Complexity** — The public's and other agencies' changing expectations, especially related to the Forest Practices Act's support of the federal Endangered Species Act and Clean Water Act, increase the time and costs of ensuring stewardship of Oregon's forests. The Private Forests Program places emphasis on voluntary measures over regulations, and site-specific regulatory choices over a one-size-fits-all approach, to improve and sustain forest conditions. These more complex policies and voluntary measures require greater analysis, training, and monitoring for both policy development and implementation.
4. **Improved Stewardship of Private Forests** — The Private Forests Program helps maintain the economic contribution of Oregon's forest sector by providing a stable regulatory environment and strong assistance through on-the-ground interactions between field foresters and operators/landowners. The essential baseline budget level does not provide the resources to meet Oregon's objectives as expressed in Board of Forestry policy, the policies of other relating boards and commissions, the Forest Practices Act, and the needs of Oregon's forest landowners and their neighbors. The Program faces significant challenges in a number of areas:
 - **Sustainable forestry and Forests Practices Act (FPA) administration in residential and wildland-urban interface areas** — The FPA applies to all forest operations on forestland regardless of how the land is zoned or taxed or how any state or local statutes, ordinances, rules or regulations are applied. The Act applies within urban growth boundaries (unless the local government has passed its own regulations in accordance with state law) and in the wildland urban-interface. About 31 percent of forest operations occur in the wildland-urban interface, and 1 percent occurs within urban growth boundaries. About 37 percent of family forestland and 10 percent of industrial forestland acres are located in these areas.

Implementing the Act in these landscapes presents challenges that often arise from conflict between competing interests. The "right to farm" and "right to forest" guarantees are often forgotten in areas where urban development is intermixed with forest. The needs and concerns expressed by nearby homeowners are not necessarily within the scope of the Act, requiring field foresters to do a significant amount of education about the law. The work required is disproportionate to the harvest tax generated by these areas, creating a concern about the equity of services provided. Increased capacity in these areas would ensure the stewardship of forest resources in and around urban growth boundaries and rural residential zones. However, alternate funding mechanisms may be appropriate for addressing these capacity needs. Key customers would include local governments, small forestland owners and community organizations. The benefits derived from this program affect the 78 percent of Oregonians who live in urban landscapes. Products delivered include technical, financial and educational assistance in urban forestry, administration of the Oregon Forest Practices Act, and fire planning assistance within urban growth boundaries and rural residential zones.

Private Forests

C. Key Budget Drivers and Major Issues (Cont.)

POLICY DRIVEN (Cont.)

- **Supporting sustainable family forestlands** — The very large number of family forestland owners with small holdings creates significant challenges in meeting Oregon's policy goals. Only 18 percent of family forestland acres have approved management plans, and only 6 percent of acres have third-party certification of sustainability. About 80 percent of family forestland owners surveyed recently had not heard of green certification. The lack of certification creates barriers to Oregon's wood products industry in meeting chain-of-custody certification for wood products. The lack of management plans decreases the chances that these acres are managed to the full potential for producing economic, ecological, and social benefits. Beyond implementation and enforcement of the FPA, the Department's support of these family forestlands depends solely on Federal funds. The Department currently has the equivalent of four field foresters statewide to provide one-on-one technical assistance, to deliver and administer incentive programs, and to help family forestland owners meet certification requirements.
 - **Supporting industrial forestlands** — The approximately 6 million acres of industrial forestlands typically focus on wood production and provide the primary supply for Oregon's \$22 billion forestry sector, and also are the major contributor to Oregon Plan conservation accomplishments. About 80 percent of these forestlands are managed under an internationally-recognized certification system. The Department plans on implementing a statistically valid compliance audit program, lowering the cost of maintaining certification. Audit outcomes will also support the agency's Key Performance Measurement and accurately measure compliance with reforestation and other important rules. Results will facilitate targeted education, enforcement, and adaptive management actions and allow measurement of compliance trends over time.
 - **Supporting urban and community forestlands** — All levels of government are currently experiencing downsizing and significant changes in personnel. Most cities, particularly smaller and more rural communities, lack adequately trained staff to coordinate urban forestry activities in a comprehensive manner. Most cities lack tree risk assessment plans and often suffer infrastructure damage during storms. Cities need technical assistance to help mitigate the effects of stormwater runoff, urban pollution, degradation of salmon bearing streams, urban/wildland fire issues, increased urban temperatures and noise pollution. A societal emphasis on addressing climate change presents challenges to local communities to find ways to help citizens connect local actions to global concerns.
5. **Invasive Species** — Invasive species threaten the economic and environmental contributions our forests make to Oregon. The Private Forest program must successfully manage invasive species to avoid a range of environmental, economic, and community sustainability problems. The Board of Forestry recently established invasive species as one of its eight key issues due to increasing concerns from forest landowners and other interests.

Sudden Oak Death (*P. ramorum*), caused by a non-native pathogen, can cause death in Oregon's oaks, tanoaks, huckleberries, rhododendrons and other native plant species. Since the first Oregon detection in 2001, cutting and burning host plants has eliminated SOD from some treatment areas, but it continues to appear in new locations in and near the regulated area in Curry County. The disease expanded considerably in 2006 and 2007, probably due to unusually wet weather in spring and early summer, and the quarantine area was increased to 162 square miles in January 2008. The number of new infested sites discovered annually stabilized from 2007 to 2009, before increasing sharply in 2010 and to date in 2011. Past eradication efforts have been hampered by funding issues, but treatments have resumed since the receipt of federal stimulus funds. The program is completing treatments on the backlog of infested sites from 2009 and 2010 that were not treated because of insufficient funds. All high-priority new sites (nearest the quarantine boundary) and all sites on federal land have

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C. Key Budget Drivers and Major Issues (Cont.)

POLICY DRIVEN (Cont.)

been treated. Current funding will allow us to complete treatment on sites that we started, plus a few sites that are high-priority in terms of disease spread. We do not have sufficient funds to treat all of the infested sites. Oregon's program has dramatically reduced the rate of disease spread as compared to similar areas in California where there is no comprehensive control program. The potential spread of this disease has significant implications to Oregon's environment and to the nursery and forest industries. However, we are reaching our technical and financial limits to controlling the disease. The program will transition to treating sites in priority order for slowing disease spread. This provides the best use of funds, while slowing spread of the disease and delaying expansion of the quarantine area.

6. **Forest Health Risks** — Oregon's forests are at high risk of forest health outbreaks and uncharacteristically severe wildfires; 35 percent of forests are at high risk of uncharacteristic fire because natural fire regimes have been significantly altered. Another 42 percent are at moderate risk. Risks will grow without some form of fuel treatment. The mountain pine beetle continues to cause widespread death of mature lodgepole pine stands in eastern Oregon as well as more localized damage to other pines. The affected area increased by over 30,000 acres this year, the eighth consecutive year of increase. The most severe outbreaks are concentrated on the eastern slopes of the Cascades from Crater Lake to Mt. Hood and over large areas in the Fremont-Winema National Forests in Klamath and Lake Counties.
7. **Biomass Utilization** — Forest biomass represents a significant opportunity to help meet the state's renewable energy goals, while also addressing critical forest health needs and improving rural economies. Federal funds have helped facilitate development of biomass energy facilities and promote the use of long-term stewardship contracts, increased fuel treatment on federal lands, and development of new market-based solutions.
8. **Changing Federal Policy** — Federal policy changes (e.g., listing and delisting of species) have increased the need for technical expertise and review. The Department strives to assist federal and other state agencies to better consider landowner interests and avoid unintended consequences. For example, re-interpretation of federal "fill and removal" requirements promoted by the Department allows landowners to now place large wood in streams as part of a forest operation without a federal permit.
9. **Declining Forest Infrastructure** — In 1980, Oregon had 373 operating mills supporting 45,800 workers. In contrast, in 2010, Oregon has only 89 mills. Employment in these facilities now stands at 15,700 workers, a 66 percent decline. Production capacity declined as well, but not in proportion to the number of mills lost. Lumber production peaked again in 2005 signifying that fewer, but larger, mills are now producing lumber compared to the 1980s. The reasons behind this trend center on the combination of production facilities retooling to handle second growth timber, market adjustments resulting from the 1980 and 1990 recessions, loss of Pacific rim export markets, and the severe loss of timber availability on federal lands. Eastern Oregon has been especially hard hit because private lands could not supply the mill capacity established around federal timber supply. Today, only 8 operating lumber mills remain from the 42 that were running in 1988. Family forest landowners in western Oregon near populated areas or near federal forests, and in eastern Oregon everywhere, are hard-pressed to generate returns from timber management or agriculture that compete with other possible uses of their lands. Often, the land can be sold for much more than its resource management value. This represents a significant challenge to keeping forestland in forest use.

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C. Key Budget Drivers and Major Issues (Cont.)

CAPACITY DRIVEN

- 1. Effectiveness and Efficiency of the Forest Practices Act (FPA)** — The FPA is a cornerstone of resource protection on private lands. It requires adequate staffing to perform site inspections and compliance monitoring. Staffing levels currently are not adequate. There is a higher risk of natural resource damage when field forester annual workload exceeds 400 Notifications of Operations per forester. Even with the significant decline in notifications (30 percent) due to the economic downturn, the number of notifications per forester exceeded 530 in 2009. As a result, foresters are only able to focus on the statutory mandates of the program and are unable to carry out the full mission of the Department. This results in loss of technical assistance, support of voluntary measures, and important resource protection measures. Essential technical assistance is no longer routinely available in a timely manner for high-priority circumstances where consultation would help the landowner and operator to comply with the Act while also meeting their objectives. Other essential elements of the program, such as consistent reforestation checks, are no longer being accomplished. Maintenance of data bases of protected resources and other program data is no longer adequate to ensure that technical assistance services can be appropriately prioritized and the activities tracked.

Budget reductions in 2009-2011 included eliminating 27 field foresters. These professionals advise landowners about requirements of the Forest Practices Act, inspect forest operations to ensure compliance and, when needed, take enforcement action. During 2009, over 12,000 operations occurred on private forestland in Oregon. Overly cumbersome or burdensome rules may increase pressure on landowners to sell forests for other uses, eroding Oregon's forestland base. Inadequate protection of natural resources, however, erodes public support critical to private landowners. The elimination of 15 percent of field supervision and administrative staff also impacts the ability to credibly administer the Forest Practices Act. Less administrative and managerial support forces stewardship foresters to spend more time in the office processing notifications and paperwork.

The field foresters are also highly trained and experienced wildland firefighters that are critical to ODF's ability to stop fires while small. The reductions impacted ODF's ability to staff Incident Management Teams (IMTs) and large fire support, incurring greater costs for the state in forest resources lost and ordering out of state for replacement positions.

In addition, a 70 percent reduction in technical support staff significantly decreased support to stewardship foresters. While the technical staff primarily supported field implementation of the FPA, they also provided support for effectiveness monitoring and the compliance audit, coordination with other agencies, revision of FPA administrative rules, and support to the Board of Forestry. The reductions eliminated the field support unit manager, wildlife specialist, road/geotechnical engineer, aquatic specialist/hydrologist, silviculturalist, biomass specialist, enforcement specialist, and civil penalties support. The program does not have sufficient staff to monitor forest practices to help ensure the Act's rules are efficient and effective.

- 2. Urban and Community Forestry** — With a small staff and a large state, the Department struggles to meet the demand for urban forestry assistance. A 2004 survey of cities showed that ODF's assistance since 1991 has resulted in an increase in the number of cities with active urban forestry programs, an increase in the number of urban forestry program elements (inventories, management plans, etc) found in cities, and an increase in local investment in urban forest management. Additionally, the survey showed that cities that had received ODF assistance were more likely to be proactively dealing with their tree problems than cities that weren't assisted by ODF. The influence of ODF staff had a direct impact on the quality of urban forest management found in Oregon cities.

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C. Key Budget Drivers and Major Issues (Cont.)

CAPACITY DRIVEN (Cont.)

3. **Decreasing Federal Funds Support for Family Forestland Owners** — Diminished federal support, coupled with insufficient state support, impairs the program's ability to develop and implement a viable system of incentives and assistance for family forest landowners. The program requires increased capacity to address issues affecting the sustainability of family forestlands in Oregon, to provide one-on-one technical assistance, to deliver and administer incentives, to implement the Oregon plan, and to enforce the Forest Practices Act. Family forestland owners distinguish themselves from larger company forestland owners, who manage primarily for timber growth and harvest. Family forest ownerships are smaller, their objectives and land uses are varied, and their forestland is diverse. Much of the state's family forestland occupies ecologically important, lower elevation settings, often near residential areas. In the Willamette Valley, much of the valley's remaining hallmark habitat type, Oregon white oak, exists on family forestlands. Family forest owners typically hold ecological objectives among their multiple management goals, but their success at management of important habitats is constrained by limited ecological knowledge and competing economic objectives for their land.
4. **Loss of Oregon Plan Support** — The 2009-11 reductions eliminated all field support for the Oregon Plan for Salmon and Watersheds. Field foresters had played a significant role in implementing the Oregon Plan, which seeks to restore salmon runs and improve water quality. Oregon Plan volunteer activities are Oregon's home-grown response to listings of Coho and other salmon species under the federal Endangered Species Act. The field foresters had helped forestland owners identify opportunities for improving riparian function (e.g., large wood placement) and worked with watershed councils to implement restoration projects. With the loss of funding, remaining field foresters do not have the time or funding to provide technical assistance for the Oregon Plan. Information and technical assistance are sometimes all that is needed for landowners to implement creative solutions to solve watershed problems.
5. **Inefficient and Obsolete Business Systems** — Many of the Program's business and information systems are now obsolete, inefficient, and fail to meet the Department's needs or the public's expectations.

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D. Revenue Sources and Relationships

The Forest Practices subprogram is funded by a combination of 60 percent General Fund and 40 percent Forest Products Harvest Tax (FPHT). The harvest tax rate is set in statute each biennium once the Forest Practices program budget is finalized, based on projections of harvest levels and the amount of revenue needed for program operations. Oregon Watershed Enhancement Board grants provide occasional funding for some cooperative research projects.

The Forest Health subprogram receives some General Fund for insect and disease activities, including integrated pest management services, and is used to conduct annual aerial surveys, provide forest pest data and maps, and deliver technical assistance for forest landowners. While the 2009-2011 budget decreased General Fund support for forest health by 80 percent, the program obtained over \$4.6 million in federal funds to improve the health of Oregon's forests.

Federal Funds are provided by the U.S. Forest Service under a consolidated grant program for forest resource management, tree improvement, the acquisition of development rights on a voluntary basis on important forestlands threatened with loss to development, and forest insect and disease management. The federal funding for these programs requires, in most cases, a dollar-for-dollar non-federal match. Other Funds revenues were phased out in the 2003-05 biennium from a Privilege Tax from the western and eastern Oregon Timber Tax Accounts. These funds were used to inspect under-stocked designated forestland, administer the 50 percent reforestation tax credit program, and provide technical assistance to family forestland owners in eastern Oregon. The reforestation tax credit program is now fee-based for participating landowners.

Federal funding provides sole funding source for Urban and Community Forestry staff.

The program can also receive private donations, including Forest Resource Trust funds and Urban and Community Forest donations, for specific projects.

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E. 2011-13 Governor's Balanced Budget

The highlight of the Governor's Balanced Budget for Private Forests is Policy Package 090 - Analyst Adjustments. This provides an increase of \$1.2 million General Fund, \$1.7 million Other Funds to increase capacity to implement and enforce the Forest Practices Act, \$700,000 in Lottery funds as pass-through dollars for non-governmental entities to work on early detection and response to forest health threats. The adjustment increases Private Forests forest practices staff by 14.0 FTE.

The package provides an increase of \$2 million for administering the Forest Practices Act. This enhancement will add 10 field foresters and three technical specialists who provide field support. The enhancement increases current forest practices capacity by 25 percent, raising total capacity to 73 percent of 2007-09 staffing levels. Stewardship foresters will increase to 40 positions, or 80 percent of 2007-09 forest practices staffing.

The increased capacity will:

- Decrease the number of operations to 450 per forest practices forester.
- Allow one inspection on 50 percent of the expected operations.
- Provide two additional technical specialists for field support on water quality protection and special resource sites.
- Allow completion of an annual audit to measure levels of compliance with the Forest Practices Act.
- Increase the support provided to the fire militia provided by Private Forests Division employees.

The enhancement will improve the Department's ability to administer the Forest Practice Act, and will allow the program to meet most statutory requirements of the FPA.