

~Final~
Committee for Family Forestlands
Meeting Minutes
December 18, 2008

A meeting of the Committee for Family Forestlands was held by telephone conference call.

Committee members participating:

Craig Shinn
Gary Springer
Ned Livingston
Greg Miller
Mike Cloughesy
David Ford
Susan Watkins
Sarah Deumling
Rex Storm

Staff present:

Peter Daugherty
Dan Postrel
Kevin Weeks

Approval of minutes from previous meeting

The minutes were approved with corrections.

Review of 2009-2011 Governor's Recommended Budget

Peter summarized the recommended budget, with an emphasis on its effects on the Private Forests Program. The Governor's budget adopts the 10 percent General Fund reduction plan that the Department crafted per the Governor's direction. The reduction plan focuses on Private Forests. General Fund available for reduction in the Department occurs only in the Private Forests and Fire programs. Given the safety and natural resource risks associated with reducing initial attack resources, the Department's executive team decided to focus the required 10 percent Department-wide reductions in the Private Forests program.

Peter noted that other than these reductions, the Governor's budget leaves funding intact for the Department, although fund-shifts away from General Fund are used to achieve this in several instances.

In Private Forests, the reductions amount to 37 percent of all General Fund in the program, and 25 percent of the program's total budget. The General Fund reduction, \$4.5 million, triggers a \$2 million reduction in matching harvest tax revenue, for a total reduction of \$6.5 million.

Peter described the plan. Reductions include:

- 22 of the current 57 stewardship foresters.
- Reduction of support staff in the field.
- Elimination of funding for the Oregon Plan, although general program objectives will continue to support Oregon Plan goals.
- Elimination of two of the current three geotechnical specialist positions.
- Reduction of management and administrative support in Salem.
- Elimination of Eastern Oregon effectiveness monitoring.
- Total staff in the program would drop to 76 from 110.

The group discussed whether the reductions were equitably divided among staff and field, with concern expressed that the field reductions may be disproportionately large. A reduction of this size in the field would be extremely problematic, limiting critical services for landowners and potentially jeopardizing the Forest Practices Act. Committee members voiced the need for a strong statement to the Board, the State Forester and the Legislature that the reductions in their current form are unacceptable.

Peter said that guidance to him in crafting the reductions included minimizing cuts in monitoring, and striving to hold Insect and Disease harmless, although the plan does include reductions in the Sudden Oak Death effort.

He acknowledged that the reductions would have a major impact if implemented, but said the program could not continue to do business as it currently does when faced with financial challenges of this size. During implementation, the Department will review the current organization and structure in the field to determine how the plan might be adjusted to reduce impacts to on-the-ground services.

Peter said that the reduction plan would result in each stewardship forester handling an additional 380 to 600 operations per year, and that current workloads are already heavy.

Rex suggested that reductions in the Department's regulatory effort should be accompanied by corresponding reductions in the scope and requirements of the Forest Practices Act.

Other budget matters

Peter explained that in addition to the 10 percent General Fund reduction included in the Governor's 2009-2011 Recommended Budget, the Legislative Fiscal Office has asked agencies to map reduction scenarios for an additional 10 percent for 2009-2011. The Department's approach generally would be to take the first half of this additional 10 percent from Private Forests, and the remainder from Fire.

While the program can minimally meet its statutory mandates with the 10 percent reduction in the Governor's budget, it would be unable to do so if the additional 5 percent reduction became necessary. At that level, necessary actions would include elimination of all monitoring and Insect and Disease functions.

In addition to the 2009-2011 issues, Peter said, state government may face challenges completing the current 2007-2009 biennium with a balanced budget as required by law. Dan reported that the statewide revenue forecast issued in December showed a \$124 million shortfall for the current biennium, across all of state government. The gap may widen to \$400 million or more when the March revenue forecast is released.

Peter said that measures taken to address the current biennium's shortfall have included a very conservative approach to filling positions, and suspending the planned expenditure of \$265,000 in SOD funds.

Committee response to proposed budget reductions

The committee discussed implications of the proposed reductions, and next steps regarding a written response that has already been drafted.

Greg said that litigation could result if the Department doesn't have resources to adequately enforce existing laws.

Peter mentioned various approaches to enforcement. In a survey, he said, stewardship foresters have indicated that in some instances they haven't issued citations because they felt that compliance could be achieved by more cooperative means. Instances in which citations have not been issued is a matter of concern in some cases, he said.

He also noted that companies with certified lands are exceeding requirements of the Forest Practices Act. He suggested that there may be a way to build on certification as a means of ensuring compliance and credibility in an environment of reduced regulatory resources.

Greg said the committee should advise the Board of Forestry to convene a task force to begin a re-evaluation of the Private Forests Program given the funding reductions. Peter noted that the Board will be looking at a revised Private Forests work plan in January 2009 that will consider long-term forest trends and realities and consider new funding models. He agreed with a suggestion that the regional forest practices committees would be good sounding boards for plans for addressing current budget issues.

Susan said the letter that already has been drafted does a good job laying out background, but should be restructured to begin with specific action the committee seeks. Action items may need to be outlined in different terms for different audiences. For instance, the committee may call for different actions from the Board, the Department and landowner groups.

Sarah suggested that the committee members share their concerns with their legislators.

Gary suggested that if the letter were to focus on actions, a second letter may be needed to highlight the consequences of the planned reductions. He said the correspondence should be ready for the January 7, 2009 Board meeting.